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**Republic of the Philippines**  
**Country strategic opportunities programme**  
**2023–2028**

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Document: EB 2023/OR/4

Date: 22 August 2023

Distribution: Public

Original: English

**FOR: REVIEW**

**Action:** The Executive Board is invited to review the country strategic opportunities programme 2023–2028 for the Republic of the Philippines.

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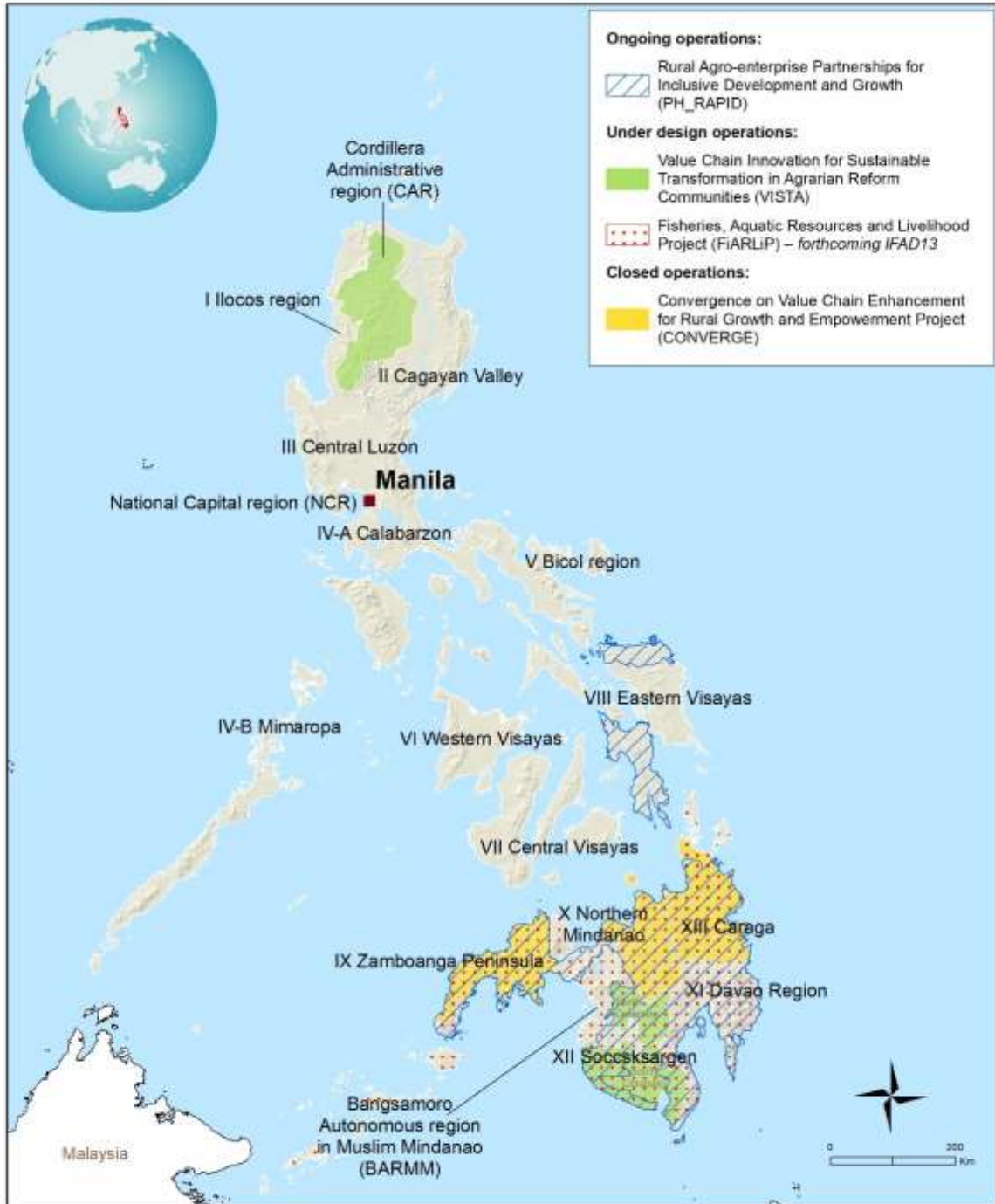
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## Map of IFAD-funded operations in the country



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 11-08-2023

## Executive summary

1. The Republic of the Philippines is a lower-middle-income country seeking to transition to upper-middle-income status by 2028. Its 7,100 islands and population of 110 million are characterized by diverse economic, demographic, social, cultural and natural resource contexts containing some of the world's most fragile ecosystems.
2. The Philippines has achieved rapid macroeconomic growth and stability over the past decade, but the benefits are not evenly distributed. Extreme poverty and hunger persist, particularly in rural and southern areas of the country. In 2021, poverty incidence stood at 18.1 per cent, and approximately 20 million people were living below the poverty line.
3. The Philippines faces some of the highest disaster risk levels in the world, which are projected to intensify as the climate changes. The agricultural sector is especially vulnerable to climate change impacts.
4. The government heavily emphasizes rural development, increased food security and job creation. To achieve these objectives, the country needs to focus on strengthening climate change adaptation, building resilience capacity and enhancing production capacity for high-value crops such as coffee, cacao, fruits and nuts.
5. The country strategic opportunities programme (COSOP) 2023–2028 is guided by the Philippine Development Plan (PDP) 2023–2028, the IFAD Strategic Framework 2016–2025, the priorities identified by the Philippines Nationally Determined Contribution 2021 and IFAD's operational experience in the country.
6. The COSOP's goal is to reduce rural poverty, increase food security, strengthen livelihoods and enhance climate change resilience. The COSOP focuses on the growth of inclusive, profitable and efficiently managed value chains, while at the same time promoting environmental conservation and reinforcing community-based resilience in target areas.
7. The country programme has two strategic objectives:
  - Strategic objective 1. Enhance the resilience of small-scale producers to economic and climate shocks, and protect and rehabilitate the country's fragile ecosystems.
  - Strategic objective 2. Promote inclusive, resilient and sustainable agricultural value chains to increase productivity, employment opportunities and income for poor rural communities.
8. Geographical targeting will be based on existing poverty, climate and environmental fragility data. The COSOP will concentrate on the Visayas, Mindanao, Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) and North Luzon highlands, where poverty and fragility levels are most pronounced and the government can effectively scale up successful initiatives.
9. The current COSOP will be financed by two IFAD funding cycles. The allocation from each cycle will be used to finance one project a piece. The funds from the Twelfth Replenishment of IFAD's Resources (IFAD12) cycle will finance the Value Chain Innovation for Sustainable Transformation of Agrarian Reform Communities (VISTA) Project. The second project, from IFAD13, will focus on poor communities in coastal areas, linking value chain development with resource protection and resilience.

## I. Country context

1. The Republic of the Philippines is a lower-middle-income, medium-human development index country of 110 million people, approximately 53 per cent of whom live in rural areas. The country comprises 7,100 islands in three island groups: Luzon, Visayas and Mindanao. Overall, 18 per cent of people in the Philippines are poor. There is inequality between geographic areas such as upland, island and remote landscapes.<sup>1</sup> The economy experienced historically steady growth of 6 to 7 per cent prior to 2020<sup>2</sup> but registered negative growth (-9.5 per cent) that year due to the COVID-19 pandemic. The economy has rebounded and is expected to continue its steady growth during the country strategic opportunities programme (COSOP) period.
2. The Philippines faces some of the highest disaster risk levels in the world, ranking first among 193 countries worldwide, with a World Risk Index (WRI) of 46.82.<sup>3</sup> The agricultural sector is especially vulnerable to climate change impacts. Without effective adaptation and disaster risk reduction, climate change is likely to exacerbate the existing high levels of income and wealth inequality, and progress in poverty alleviation will be slowed.<sup>4</sup>

## A. Socioeconomic setting

Table 1  
Country indicators

Indicator	Data (from 2021, unless otherwise indicated)
GNI per capita	US\$364 000
GDP growth	5.7%
Public debt (as a percentage of GDP)	43.4% <sup>a</sup>
Debt service ratio	7.2 % <sup>b</sup>
Debt-to-GDP ratio	62.1% <sup>c</sup>
Inflation rate	3.9%
Population size	111 046 910
Population, female	55 306 249 <sup>d</sup>
Youth population (aged 15-30) <sup>e</sup>	31 402 000 <sup>f</sup>
Unemployment rate	2.4% <sup>d</sup>
Fragility Index (2022)	80.5 (high)
OCHA <sup>g</sup> INFORM Risk Index (2022)	5.3 (high)

<sup>a</sup> <https://data.worldbank.org/country/philippines?view=chart>.

<sup>b</sup> <https://data.worldbank.org/indicator/DT.TDS.DECT.GN.ZS?locations=PH>.

<sup>c</sup> [https://www.treasury.gov.ph/wp-content/uploads/2022/09/NG-Debt-Press-Release-July-2022\\_final.pdf](https://www.treasury.gov.ph/wp-content/uploads/2022/09/NG-Debt-Press-Release-July-2022_final.pdf).

<sup>d</sup> Asian Development Bank (ADB). 2009. *Poverty in the Philippines: Causes, Constraints, and Opportunities*. Mandaluyong City, Philippines.

<sup>e</sup> <https://psa.gov.ph/content/age-and-sex-distribution-philippine-population-2020-census-population-and-housing>.

<sup>f</sup> <https://nyc.gov.ph/2021-youth-statistics-update/>.

<sup>g</sup> United Nations Office for the Coordination of Humanitarian Affairs.

<sup>1</sup> Asian Development Bank (ADB). 2009. *Poverty in the Philippines: Causes, Constraints, and Opportunities*. Mandaluyong City, Philippines.

<sup>2</sup> Statista: <https://www.statista.com/statistics/578787/share-of-economic-sectors-in-the-gdp-in-philippines/>.

<sup>3</sup> <https://weltrisikobericht.de/weltrisikobericht-2022-e/#:~:text=%C2%A9%20Haddad%20%2F%20Welthungerhilfe-WorldRiskIndex.mean%20of%20exposure%20and%20vulnerability>.

<sup>4</sup> Climate risk, country profile. ADB.

## B. Transition scenario

3. The Philippines aspires to graduate to the "upper-middle-income country" category by 2028 through structural reforms and a socioeconomic recovery programme that aims to reduce poverty to 9 per cent.<sup>5</sup> The country's fiscal deficit improved from 8.3 per cent of GDP in 2020 to 6.5 per cent of GDP in 2022, but stimulus expenditure during the pandemic caused the national debt ratio to rise to 63.7 per cent of GDP. IFAD will be more proactive in policy engagement and in forging new partnerships to better support country efforts toward a more sustainable green economy and inclusive rural transformation path (**Error! Reference source not found.**).

## C. Food system, agricultural and rural sector agenda

4. Agriculture employs 24.8 per cent of the country's workforce<sup>6</sup> and accounts for 42.5 per cent of land use.<sup>7</sup> However, the agriculture sector is characterized by low productivity, trade constraints and limited access to technology. Rural inequalities undermine the potential for sustainable food production, as most households engage in subsistence farming and depend on off-farm income sources.

### Challenges and opportunities

5. Farmlands are fragmented<sup>8</sup> and tenure arrangements weak; land tenure disputes are common, with complicated land ownership and management instruments. Rural women's and Indigenous Peoples' perspective on land issues is often missing.<sup>9</sup> Farmers are aging, with a median age of 46 (male) and 52 (female).<sup>10</sup> Over the past two years, agricultural growth has been hindered by the scarcity and high cost of inputs, rising fuel prices due to the war in Ukraine, the COVID-19 pandemic and the presence of African swine fever.<sup>11</sup> There are policy and practice gaps in certification and production standards and limited access to markets, information technologies and financial services.
6. The country ranks fifth globally for extreme weather events.<sup>12</sup> Natural disasters have caused an estimated US\$23 billion in losses and damages since 1990. On average, over one million Filipinos are impoverished annually by natural disasters.<sup>13</sup> Unsustainable agricultural intensification has degraded the soil and threatens the sustainability of the agriculture sector and rural economy.
7. Despite these challenges, there are significant opportunities in the agricultural sector. The Philippines has fertile lands and diverse flora, high potential for further expansion in aquaculture and a strong enabling environment for the private sector; moreover, digital tools have significant potential to enhance the agrifood trade.
8. There is renewed national commitment to ensuring sustainable management of natural resources<sup>14</sup> and fragile ecosystems by building adaptive capacity and enhancing climate change mitigation potential through a 75 per cent reduction in greenhouse gas (GHG) emissions.<sup>15</sup>

### Government policy and institutional framework

9. Long-term development in the Philippines is anchored in the vision of a prosperous middle-class society in which no one is poor (AmBisyon Natin 2040). The new government approved/adopted the Philippine Development Plan (PDP) in January

<sup>5</sup> Poverty and Equity Brief, World Bank, October 2022.

<sup>6</sup> [https://psa.gov.ph/sites/default/files/per\\_cent28ons-cleared\\_per\\_cent29\\_FO\\_per\\_cent207\\_Employment\\_per\\_cent20and\\_per\\_cent20Wages\\_per\\_cent20ao\\_per\\_cent20ONS-21122021\\_ONSF-signed.pdf](https://psa.gov.ph/sites/default/files/per_cent28ons-cleared_per_cent29_FO_per_cent207_Employment_per_cent20and_per_cent20Wages_per_cent20ao_per_cent20ONS-21122021_ONSF-signed.pdf).

<sup>7</sup> <https://data.worldbank.org/indicator/AG.LND.AGRI.ZS?locations=PH>.

<sup>8</sup> Reyes, C, 2021, *Is eradicating poverty in the Philippines by 2030 doable?* Policy Notes no. 2021-13.

<sup>9</sup> landex partners with IFAD on landmonitor project. Global Land Governance Index. October 2022.

<sup>10</sup> World Bank. 2020. Transforming Philippine Agriculture: During COVID-19 and Beyond.

<sup>11</sup> World Bank. Macro Poverty Outlook. October, 2022.

<sup>12</sup> <https://www.fie.undef.edu.ar/cepm/pdf/misiones/01.pdf>.

<sup>13</sup> World Bank. Making Growth Work for the Poor. 2018.

<sup>14</sup> Briones, R, 2021, Philippine agriculture: Current states, challenges, and ways forward, Policy Notes, No. 2021, 12.

<sup>15</sup> Conditional on external support. Philippines Nationally Determined Contribution (NDC).

2023. The COSOP directly contributes to the achievement of several outcomes in agriculture, food security and climate action.

10. Key policies and plans include: the National Agricultural and Fisheries Modernization and Industrialization Plan 2021–2030; the National Fisheries Industry Development Plan (2021–2025); the National Convergence Initiative (NCI) for Sustainable Rural Development, which aims to address fragmentation and protect natural resources through environmentally friendly enterprises and livelihood opportunities; and the Philippines NDC 2021, with its focus on building adaptation and resilience capacity. Key file III (appendix II) identifies the key institutions.
11. The main gaps in achieving the strategic objectives in terms of policy and institutional areas are: (i) weak coordination among the agencies involved in environmental, climate change and disaster risk mitigation; (ii) lack of proactive engagement by the agencies providing access to finance; (iii) weak programmatic engagement with local government units (LGU) and variations in their capacities and resources.

## **II. IFAD engagement: lessons learned**

### **A. Results achieved during the previous COSOP**

12. The strategic goal of the previous COSOP (2017–2022) was to provide the government with innovative, scalable pathways for rural poverty reduction. The strategic objective of the COSOP was to “develop an enabling environment and delivery systems in support of competitive, inclusive and resilient agrifood value chains.”
13. The COSOP was implemented during a time of significant contextual change and was able to adapt accordingly. Significant changes in the context included: the onset of the global COVID-19 pandemic; the creation of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) as a region with additional autonomy and fiscal and legislative powers; a major conflict in Marawi; and the Mandanas-Garcia Ruling, which gave additional responsibility to local government units (LGUs) for sustainable local development.
14. The lending portfolio during the previous COSOP period included five projects, four of which were ongoing and one that was in preparation at the start of the new COSOP period. There was also an active non-lending portfolio to promote knowledge generation and policy dialogue on poverty reduction, smallholder farming and other key issues (annex I).
15. Several projects report a reduction in the gap between the poverty threshold and the annual per capita income levels of project beneficiaries.<sup>16</sup> ConVERGE reports a decrease in poverty incidence to 22 per cent, and CHARMP2 reports a reduction in the average poverty incidence to 10.40 per cent. The FishCORAL project was reported to have contributed to the reduction of poverty among fishing households by 10.6 percentage points.
16. The previous COSOP sought to reach 100,000 farmers. In December 2022, the reported coverage was 68,692 direct project beneficiaries. Participation by women and Indigenous Peoples was strong, but less attention was paid to engaging youth. The overall gender composition of COSOP participants was 35 per cent women and 65 per cent men; youth participation was 9 per cent and Indigenous Peoples’ participation, 20 per cent. IFAD has been successful in supporting Indigenous communities in the Philippines by building on traditional laws to regulate the use of natural resources and using agroforestry and reforestation to conserve biodiversity.

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<sup>16</sup> Northern Mindanao Community Initiatives and Resource Management Project.



17. CHARMP2 and FishCORAL conducted significant activities to build marketing capacity and adopt new approaches through the Farm and Aqua-based Business schools. The COSOP completion review (CCR) reported that 37,588 farmers were using improved approaches.
18. Clustering and consolidation through producers' and marketing groups, which are able to engage and participate more formally in markets, have yielded very positive results. The COSOP targeted 1,500 rural producers' organizations/enterprises with formal partnerships/agreements. As of March 2022, 945 such partnerships/agreements had been recorded (63 per cent), and 899 (95 per cent) of these organizations reported higher profits.
19. The value chain approach was effective in terms of competitiveness, resulting in higher agricultural productivity, more efficient processing, and better access to markets, ultimately increasing household income. The country programme was successful in creating sustainable value chains in the FishCORAL and ConVERGE projects, generating 18,414 new jobs. Seaweed farming was one of the most profitable activities, with a financial internal rate of return of 1,233 per cent.
20. The country programme reports nutritional benefits from increased production of agri-produce due to higher yields and a wider variety of produce, thereby contributing to household consumption, increased food intake and dietary diversity.
21. The Integrated Natural Resources and Environmental Management Project (INREMP) provided a framework for the design of watershed rehabilitation and management subprojects in the targeted river basins, with the piloting of sustainable forest management covering natural forests, agroforestry and commercial plantations. The Bay-wide Management Councils approach was a pioneering model for LGUs, as it empowered Indigenous Peoples to manage ancestral territories using traditional stewardship approaches in tandem with modern agricultural knowledge and techniques.
22. The country programme had a strong knowledge management (KM) focus, leading to the creation of the Agriculture, Rural Development, Knowledge and Policy Platform (ARDKPP), which was key in the farmers' organizations (FO) participation in the drafting of the Philippine Action Plan for Family Farming (PAP4FF) and stocktaking toward food system transformation. The work of IFAD's Financing Facility for Remittances (FFR) led to better understanding of the challenges and opportunities of remittance harnessing.

## **B. Lessons from the previous COSOP and other sources**

23. The key lessons derived from the country programme in the past six years are outlined below:
  - (i) Targeting of Indigenous Peoples, women and youth can be most effectively undertaken through a multipronged approach that benefits from: (i) the support of institutions representing these groups at the national and local level; (ii) the inclusion of Indigenous people, women and youth in local development councils; (iii) setting specific targets in projects; and (iv) facilitating dialogues with Indigenous Peoples and protecting the unique interests of each tribe.
  - (ii) The FishCORAL project showcased the potential of ecosystem-wide planning and implementation for bringing multiple stakeholders together to achieve positive outcomes for fisheries value chains, and the Rural Enterprise Partnerships for Inclusive Development and Growth Project (RAPID) demonstrated the need to integrate natural resource management (NRM) into strategic planning to strengthen the key value chains.
  - (iii) The strengthening of farmers' and producers' organizations through consolidation and clustering has been key to building partnerships between

key players along the value chain by aggregating fragmented production, creating economies of scale and reducing transaction costs.

- (iv) The development of effective innovative value chains requires a participatory investment strategy and active partnerships, with the private sector playing a lead role in identifying product quality and the volumes required.
- (v) Based on the RAPID experience, the timing for screening and obtaining free, prior and informed consent (FPIC) should be integrated into the pre-implementation phase during subproject selection to allow time for institutional processing of FPIC forms by the National Commission on Indigenous Peoples (NCIP);
- (vi) Grants for non-lending activities can have high value added when appropriately linked to draw on the emerging experience and incorporate it in the IFAD investment portfolio. Dissemination events and policy briefs helped to initiate a policy dialogue on key issues. The information and communications technologies for development (ICT4D) grant implemented by the Food and Agriculture Organization of the United Nations-Philippines (FAO-PH) demonstrated the growing opportunities for using digital technologies to aid implementation and targeted activities such as the campaign against illegal fishing.
- (vii) Use of the country's public financial management system is providing effective control. Government staff turnover is an impediment to timely funding requests/reporting. Strong support from the Commission on Audit is needed to configure accounting software (e-NGA).

### **III. Strategy for transformational country programmes**

#### **A. COSOP theory of change**

- 24. The theory of change (ToC) has been framed as follows; If small-scale producers in fragile areas are provided with increased investments, made aware of climate risks and assisted with improved inputs, technologies, capacity and finance for strategic crops, then rural poverty will be reduced, livelihoods strengthened and food security enhanced because of greater resilience to climate risks and increased production and marketing of key value chains.
- 25. The ToC of the country programme in the Philippines is based on its analysis of the underlying reasons for food insecurity and the high incidence of poverty and vulnerability in rural areas. The natural resource base is fragile and productivity is low, further impacted by climate change and extreme weather events. Poor farming practices such as slash and burn agriculture or intensive cultivation, topsoil stripping and fertilizer and pesticide pollution are common and lead to unsustainable land use. Also common are insufficient investment in irrigation, low levels of farm mechanization, weak extension services and lack of awareness of practices and techniques that can protect fragile ecosystems. Low productivity is a key cause of rural poverty, and the loss incurred as a result of climate risks further compounds the problem. Smallholder farmers have limited climate resilience and generally lack the resources and knowledge needed to help them protect their produce, prevent losses and rehabilitate their resource base.
- 26. The agricultural commodities produced by poor smallholders have underdeveloped value chains. As a result, these farmers are unable to add significant value to the commodities they produce, selling them at low prices that often do not even cover their production costs. Individual producers and local farmers' organizations and cooperatives have inadequate post-harvest, processing and transport facilities and limited access to markets. Smallholder farmers also lack the business skills and resources to increase the value of their produce, expand their businesses for a

sustainable increase in productivity, employment or income or forge mutually beneficial partnerships with the private sector.

27. Based on these constraints, the COSOP's theory of change has identified a two-pronged approach for assisting small producers in overcoming food insecurity and poverty and building their economic and climate resilience.
- **Pathway 1. Fragile upland areas, mangrove ecosystems and marine fisheries are threatened by both climatic and anthropogenic factors.** The country is exposed to physical risks due to climate change, among them changing precipitation patterns, rising temperatures, a growing number of extreme weather events and climate effects on the environment, such as biodiversity loss, water stress, lower crop yields and deteriorating forage quality. Anthropogenic factors include overuse of forests and lack of sustainable management practices. **Ecosystems can be rehabilitated and protected against climate risks and unsustainable farming and fishing practices through a range of investments** in water source protection, ecosystem rehabilitation, soil and water conservation, etc.
  - **Pathway 2. Small-scale producers are constrained by fragmented production, economic factors and limited processing and marketing capacity. Piloting modern equipment and technologies can boost efficiency and reduce losses. Enabling small-scale producers and their organizations to aggregate and improve the quality of their produce will offer the private sector incentives to adopt mutually beneficial arrangements that will enable these farmers to increase their production and marketed volumes, incomes and employment.**
28. The ToC is premised on the evidence that the selection of appropriate value chains in the high-value food crop and fisheries sector has the potential to reduce poverty and include women, youth and Indigenous Peoples. Poverty and lack of access to food is the key driver of malnutrition.<sup>17</sup> The country programme has an opportunity to tackle the issue of malnutrition through its investments by building resilience in food production systems and to contribute to higher incomes and greater dietary diversity.

## B. Overall goal and strategic objectives

29. IFAD's comparative advantage in the Philippines lies in its targeting of the most vulnerable groups in remote areas and its experience in building small-scale producers' capacity to adapt to climate risks and contribute to climate change mitigation. Based on these factors, the COSOP's goal is to "reduce rural poverty, improve food security, strengthen livelihoods and enhance climate change resilience." The goal of the country programme encompasses IFAD's strategic objectives of increasing poor rural people's productive capacities, enhancing benefits from market participation and strengthening environmental sustainability and climate resilience.
30. The country strategy will have two strategic objectives (SOs):
- **SO1. Enhance the resilience of small-scale producers to economic and climate shocks**, and protect and rehabilitate the country's fragile ecosystems. This will include both fragile upland areas impacted by climate threats and marine fisheries and mangrove ecosystems. The increase in climate resilience and adaptation is expected to lead to more sustainable natural resource management and livelihoods, especially for Indigenous people, women and youth.
  - **SO2. Promote inclusive, resilient and sustainable agricultural value chains** to increase productivity, employment opportunities and incomes for

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<sup>17</sup> The World Bank. 2021.

poor rural communities. Higher yields are expected to increase food production and incomes, and hence, lead to greater food security and diversity, thereby improving nutritional status.

31. The expected outcomes should contribute to SDG 1 (no poverty), SDG 2 (zero hunger), SDG 5 (gender equality), SDG 10 (reduced inequalities), SDG 13 (climate action), SDG 14 (life below water) and SDG 15 (life on land).

Table 2

**COSOP strategic objectives**

<i>Key development priority (SO)</i>	<i>Underlying institutions</i>	<i>Policy reform challenges</i>	<i>Proposed interventions (lending, non-lending)</i>
SO1	Department of Environment and Natural Resources (DENR), Department of Agriculture (DA), Department of Agrarian Reform (DAR), LGUs	Lack of coordination among institutions responsible for NRM, mitigation and adaptation to climate change. Policy to increase the allocation of resources for investment in fragile areas. Fiscal and tax incentives to attract private sector investments.  Policy to strengthen extension services.	Improved coordination arrangements.  Identification of high-risk areas and preparation of risk management plans and response packages.  Investments in water source protection/ecosystem rehabilitation/agro-biodiversity/slope and streambank stabilization/bioengineering solutions/agroforestry/terracing/contouring/soil and water conservation/small-scale irrigation systems, etc. Interventions to provide economic benefits through the creation of green jobs in organic farming/solar energy/recycling/environmental protection etc.; generation of income from resource-based enterprises and payment for ecosystem services. Investments will promote the use of renewable energy.  Provide inputs and extension services to boost smallholder capacity for climate adaptation and resilience.
SO2	DA, DAR, DTI, LGUs	Government policy can be supportive, helping smallholders access finance by setting up special-purpose banking institutions, credit guarantee systems and interest rate subsidies and providing collateral alternatives, insurance products, tax incentives and regulatory reform.	Value chain operations will be supported to increase production volumes and improve standards, increase access to financial products and services, link to and expand markets and build institutional capacity to increase the viability of enterprises and create jobs. The project will support communities engaged in value chains to harness local resource potential. Investments will also support (i) strengthening farmer capacity in value-adding activities; and (ii) increasing farmers' access to post-harvest and processing facilities.

32. **Sustainability.** The key drivers of the investments' sustainability will be: (i) the development of participatory plans to support the communities' stewardship of their natural resources and develop a common vision to change behaviour; (ii) the financial, technical and social viability of the investments made to protect and rehabilitate fragile ecosystems; (iii) the capacity of local communities to adopt the climate-adaptive practices encouraged for sustainable NRM; (iv) the increased technical and financial capacity of local governments to operate and maintain the investments to mitigate the impact of external shocks; (v) the private sector's role as the driving force in sustainable value chain development by ensuring that the arrangements in place are beneficial to all participants along the selected value chain; and (vi) the continued benefits that the key target group, especially Indigenous Peoples, women and youth, receive from the investments.
33. **Scaling up.** The government is planning to integrate climate-resilient infrastructure, investments and technologies as part of its development plans and to work with LGUs to scale them up with its own resources. The private sector replicates successful experiences and models of value chain development because it leads to mutually beneficial outcomes for all participants. IFAD will make a special effort to leverage resources with partner government in clustering and consolidating small-scale farmers' and fishers' products. COSOP will also support capacity-building and improved management and governance mechanisms to enable these partners to effectively implement successful models. Knowledge capture and management will be important aspects of sustainability and scaling up.
34. **Mainstreaming**
- **Climate and environment.** The country programme will integrate natural resources management, climate change mitigation and adaptation as key elements of all project investments. The selection of both the target area and project activities will be shaped by the extent to which they can help to protect ecosystems and biodiversity, build the adaptive capacity of vulnerable communities and contribute to climate mitigation.
  - **Gender equality and women's empowerment** are key priorities in the COSOP. Projects will ensure that women are included in key planning and decision-making forums and that specific targets are identified for each main project output. The country programme will capitalize on the presence of the IFAD Philippines Gender Network (IPGN) to strengthen gender mainstreaming.
  - **Youth.** The COSOP will make a special effort to involve youth by creating an enabling environment in the agriculture sector focused on an innovation ecosystem that supports youth entrepreneurship, particularly in digital approaches to agriculture.
- Nutrition.** The COSOP anticipates an impact on the nutritional status of the targeted households through the expected increase in food security and dietary diversity derived from the prevention of losses due to climate threats, together with higher yields and production from greater development of the value chains of key food crops and investments in the fisheries sector.

## C. Target group and targeting strategy

### Target group

35. The primary target groups will be small-scale farmers and fishers, agrarian reform beneficiaries, women, youth and Indigenous Peoples. Priority will be given to small-scale rural producers and entrepreneurs capable of accessing economic and social opportunities.

### Targeting strategy

36. Rural poverty in the Philippines has declined but is concentrated in specific geographical areas and socioeconomic groups. **IFAD's strategy for targeting poor rural people will combine geographical and household-level approaches.** A range of instruments will be employed to target vulnerable people and ecosystems.
37. Geographical targeting will rely on available poverty and environmental fragility data, including those of geographically isolated and disadvantaged areas. The COSOP will focus on Visayas, Mindanao, BARMM and the North Luzon highlands, where the incidence of poverty and fragility is highest and successes can be scaled up by the government.

## IV. IFAD interventions

### A. Financing instruments

38. During the current COSOP period, IFAD will finance two projects using the Twelfth Replenishment of IFAD's Resources (IFAD12) and IFAD13 allocations from the performance-based allocation system (PBAS) and the Borrowed Resource Access Mechanism (BRAM).
39. A value chain project focusing on high-value commodities will be designed for approval in 2023. This project will address the two strategic objectives in an integrated manner. The project will focus on agrarian reform communities (ARCs) and non-ARC beneficiaries in adjacent locations as entry points for value chain development, as well as FOs/associations focusing on those with members that do not have land endowments. Climate change adaptation and natural resource protection will be mainstreamed into local planning.
40. IFAD13 resources will be used for the development of a project in the fisheries sector and the protection and sustainable use of coastal ecosystems. It will cover marine fisheries and mangrove ecosystems, build climate resilience in some of the most vulnerable fishing communities, build resilient blue economies (i.e. restoration and management of blue carbon systems) and contribute to the reduction of illegal and unsustainable fishing practices.

### B. Country-level policy engagement (CLPE)

41. During the current COSOP, IFAD will capitalize on the presence of various platforms that were created to increase interaction among a wide range of stakeholders and policymakers. The ARDKP, launched by IFAD, can be a unique platform for bringing together civil society organizations (CSO), the private sector, government agencies, United Nations and development partners and international financial institutions to promote dialogue on relevant policy areas.
42. Policy engagement will focus on outcomes critical to achieving the proposed strategic objectives, specifically: (i) the strengthening of measures to support the convergence strategy, producing practical policy measures to address the challenges of institutional fragmentation and functional overlaps in NRM, biodiversity and climate risks; (ii) vulnerability and climate risk analysis in the planning process, institutionalizing it at the national and local levels for better natural resource management; and (iii) a support framework for greater access to finance and digital solutions.
43. The IPGN, the annual country programme review (ACPoR) and the knowledge learning market and policy engagement (KLMPE) meeting will be supported to elevate learning from the IFAD portfolio. IFAD's poverty-focused policy, knowledge tools and global pool of expertise will be leveraged to support government efforts to steer the economy back to a high-growth path. IFAD will prepare a non-lending engagement model and action plan by the midterm review (MTR) to align with the IFAD13 commitments.

## **C. Institution building**

44. **Institutional capacity-building.** In the process of implementing its projects in the country, IFAD undertakes partner capacity-building as a key element of its programme. The main areas in which the country programme will build partner capacity will include participatory approaches and effective strategies for outreach to vulnerable communities, technical capacity in NRM and climate mitigation and adaptation, the facilitation of partnerships with the private sector, financial management, procurement systems, monitoring and evaluation (M&E) and impact assessments.

## **D. Innovation**

45. Implementation of the project-level investments will employ innovative approaches that bring new learning to partners – for example, through digital planning for resource improvement, online marketing and new technologies in production, processing and access to markets. Online data platforms will be used to support implementation and gather policy-related learning with the potential for replication and scaling up.

## **E. Knowledge management**

46. IFAD will continue to document its experience, produce knowledge products, capture and scale lessons and promote knowledge sharing among its partners, particularly through the meetings it has hosted in the past. The COSOP intends to produce learning documents based on its experience rehabilitating and protecting natural resources in fragile areas and the outcomes of its value chain investments. The main responsibility of the M&E specialists in IFAD projects will be to exercise this function.

## **F. Information and communications technologies for development**

47. ICT4D has achieved growing prominence in national agricultural digitalization strategies and the enabling of policy and regulatory frameworks. IFAD will leverage and further invest in the improvement of current initiatives, including the Department of Trade and Industry-Department of Agriculture (DTI-DA) Deliver-E platform designed to increase production and stabilize supply through an e-commerce platform<sup>18</sup> and the DA's eKadiwa online marketing platform to link producers with consumers.<sup>19</sup> IFAD will explore viable opportunities to facilitate the adoption of digital solutions in a wide range of areas, such as modernized farming, locally suited seeds and fertilizers, crop disease protection, adaptation to climate change, price-sensitive marketing, traceability systems and financial service access.

## **G. Strategic partnerships and South-South and Triangular Cooperation (SSTC)**

### **Government and civil society**

48. Partnerships with government and CSOs/FOs will be integrated into project design. Strategic partnership with the DA Agricultural Credit Policy Council (ACPC) will be explored to promote innovative financing arrangements for small-scale farmers. In collaboration with DTI's Small and Medium Enterprise Roving Academy (SMERA), capacity-building programmes will be developed for farmers' organizations and small borrowers to improve their access to credit. IFAD will continue to partner with non-state actors (i.e. the Asian Farmers' Association for Sustainable Rural Development [AFA]) to expand its outreach and benefit from advocacy and research initiatives. Complementarities will be ensured with ongoing development

<sup>18</sup> DTI, 2020, Keynote message of Secretary Ramon M. Lopez, Deliver-E goes live.

<sup>19</sup> DA, 2020, Kadiwa goes online, bringing farmer's produce closer to more consumers.

programmes (i.e. the Philippines Rural Development Project [PRDP], the Mindanao Inclusive Agriculture Development Project [MIADP]).

### Development partners

49. The United Nations Country Team (UNCT) and Rome-based agencies (RBA) will be the main avenues for United Nations partnership to expand integrated actions and provide greater benefits. COSOP directly contributes to outcome 2, on low-carbon economic development and decent work, and outcome 3, on equitable climate-resilient development, natural resource management and disaster risk reduction, of United Nations Sustainable Development Cooperation Framework 2024–2028.
50. Rural development projects implemented by development partners, including the World Bank and ADB, are expected to offer opportunities to enhance the country programme. The COSOP will also explore policy partnership and investment opportunities with the European Commission on remittances, leveraging the guidebook for mobilizing inclusive remittances for rural investment, prepared by the FFR-INSURED feasibility study on high-value crop insurance.

### Private sector

51. IFAD will increase its engagement with private sector partners in the development of value chain roadmaps, improved inputs and technologies for climate adaptation and the delivery of extension services to primary producers, technology adoption, marketing and technical assistance. Chambers of commerce can play a pivotal role in market linkages, while academic institutions can support innovative processes and technologies.

### South-South and Triangular Cooperation

52. The approach to SSTC aligns closely with the United Nations system-wide SSTC strategy. The COSOP intends to continue regional grants that facilitate knowledge sharing and learning in Asia, receive delegations from other countries to share agricultural experiences and engage regional stakeholders in the development of innovative strategies and policies.

## V. COSOP implementation

### A. Investment volume and sources

53. The IFAD12 financial allocation for the Philippines totals US\$85 million, comprised of US\$25 million from the PBAS and US\$60 million from BRAM. These funds are expected to be used for a new project to be implemented by the Department of Agrarian Reform and DA. During the COSOP period, a second project on fisheries will be financed from IFAD13, subject to the availability of allocations.

Table 3

#### IFAD financing and cofinancing of ongoing and planned projects

(Millions of United States dollars)

Project	Source			Cofinancing		Cofinancing ratio
	IFAD financing	PBAS	RTA*	Domestic	International	
<b>Ongoing</b>						
RAPID	65.4	PBAS		29.7		1:0.45
<b>Planned</b>						
Project 1 (VISTA)	85	PBAS (25) BRAM (60)		40.0		1:0.47
<b>Total</b>	<b>150.4</b>			<b>69.7</b>		<b>1:0.46</b>

\* RTA = reimbursable technical assistance.



## **B. Resources for additional activities**

54. IFAD will seek an amount of US\$0.5 million from the Republic of Korea's Supplementary Fund Grant (2023–2024) under the Smallholder Economic Empowerment through Digital Solutions (SEEDs) to build on the successful implementation of ICT4D monitoring and reporting tools under FISHCORAL and to mobilize around US\$1 million for the Home-Grown School Feeding Programme under SSTC through RBA collaboration. The Green Climate Fund will be considered for climate change mitigation and adaptation for its project under IFAD13. Potential cofinancing with ADB under the IFAD13 pipeline will be explored. The demand for RTA from IFAD is not ascertained, and the team will continue exploring the demand for and use this resource, as appropriate.

## **C. Transparency**

55. The COSOP's strong CLPE processes encourage open interaction between project stakeholders, CSOs, NGOs, development partners and government stakeholders to foster an open environment of transparency. The ACPoR provides a transparent platform for reporting portfolio results and sharing emerging lessons with partners.

## **D. Country programme management**

56. The IFAD country director-led country office is an important focal point for programme lending and non-lending activities. The office location within the ADB helps to intensify engagement with development partners. The relationships with ADB and the UNCT assist IFAD operations with security and logistics. The country office engages in direct portfolio supervision and support, as well as national knowledge management, policy dialogue and partnerships aligned with IFAD guidelines.

## **E. Monitoring and evaluation**

57. COSOP performance will be monitored periodically against the results framework. COSOP and MTRs will assess progress toward outcomes. IFAD will continue to support the use of effective M&E and KM systems in projects. Innovative mechanisms will be used for data collection and analysis through digital tools, including geographic information systems and remote sensing for mapping project interventions and assessing concerns such as soil erosion and upland utilization.

## **VI. Target group engagement**

58. The IFAD programme will continue to employ the engagement mechanisms that contributed to the success of the previous programme. These include the ACPoR, KLMPE, IPGN and Indigenous Peoples Forum. Within each project, IFAD supports participatory planning with strategic stakeholders and project implementers that contributes to participatory planning and decision-making. Efforts will be made to ensure NGO/CSO engagement to amplify the voice of vulnerable groups in decision-making. Each project will establish grievance redress mechanisms.

## VII. Risk management

Table 4  
Risks and mitigation measures (see appendix X)

<i>Risks</i>	<i>Risk rating</i>	<i>Mitigation measures</i>
Political/governance: Changes in implementing agency's leadership, policies, strategies and priorities.	Moderate	Financing agreements. Project steering committee accountability. Regular supervision and implementation support missions.
Macroeconomic: Slow economic growth in agricultural and fisheries sector due to animal diseases and natural disasters. Potential graduation to upper-middle-income country status by 2028.	Moderate	Value chain development analyses, climate-resilient approaches, exploration of non-lending opportunities to prepare for potential graduation.
Sector strategies and policies: Changes in sectoral policies and strategies.	Moderate	Institutionalization and convergence of government agency approaches.
Institutional capacity: Stretched absorptive capacity of agencies and LGUs; weak capacity of value chain enterprises.	Moderate	Recruitment of qualified project-hired technical staff. Memorandums of understanding and capacity development with partners; decentralized support for LGUs. Supervision/implementation support missions.
Portfolio: Price escalations and foreign exchange differential	Moderate	Restructuring through MTR.
Fiduciary: Financial management. Relatively low level of government capacity.	Substantial	Capacity training for financial management staff, improvement of government accounting system (e-NGAs).
Fiduciary: Procurement. Limited capacity of procurement staff	Low	See section on procurement. Capacity-building, including IFAD BUILDPROC programme on procurement planning and contract management.
Environment and climate risks from cyclones and storm surges, flood, drought and heatwaves, with limited institutional adaptive capacity	Substantial	SECAP will be built into project designs, and investments will extend beyond compliance to sustainable solutions.
Social: Exclusion of vulnerable sectors, leading to widening poverty gap	Moderate	
Other COSOP-specific risks		
Overall	Moderate	

## Loan and grant projects

### Republic of the Philippines

### Country strategic opportunities programme 2017–2022

<i>Project</i>	<i>Executing agency</i>	<i>Goal/objectives</i>	<i>Duration</i>	<i>Location/partners</i>
Second Cordillera Highland Agricultural Resource Management Project (CHARMP2) + scale up	Department of Agriculture (DA)	Reduce the poverty and improve the livelihoods of poor rural women and men in Indigenous communities in the upland areas of the Cordillera Administrative Region	2008–2021	Cordillera Administrative Region
Integrated Natural Resources and Environmental Management Project (INREMP)	Department of Environment and Natural Resources (DENR)	Reduce and reverse the severe environmental degradation taking place in the targeted four upper river basins, and increase rural household income and local government unit revenues	2013–2020	Chico Upper River Basin, Wahig-Inabanga River Basin, Upper Bukidnon River Basin, Lake Lanao Upper River Basin
INREMP–Bangon Marawi Comprehensive Rehabilitation and Recovery Plan (BMCRRP)	National Irrigation Administration	Increase productivity in agriculture and rural sectors in the Lake Lanao Upper River Basin	2020–2021	Marawi and Lanao del Sur around Lake Lanao
FishCORAL	Department of Agriculture (DA) – Bureau of Fisheries and Aquatic Resources (BFAR)	Contribute to reducing the incidence of poverty in the target coastal communities of the 11 target bays in Regions 5, 8, 13 and the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)	2015–2021	11 bays in Regions 5, 8, 13 and BARMM
ConVERGE 2015–2022	Department of Agrarian Reform (DAR)	Contribute to reducing the incidence of poverty in the 10 target provinces of Regions IX, X and Caraga	2015–2022	11 Agrarian Reform Community (ARC) clusters in Regions 9, 10 and 13
RAPID	Department of Trade and Industry (DTI)	Contribute to reducing the incidence of poverty in target areas through sustainably increased income of small-scale farmers and unemployed rural women and men across selected agri-based value chains	2019–2025	22 provinces in Regions 8, 9, 10, 11, 12, 13 and BARMM
Asia Pacific Farmers' Program (APFP) Strengthening Farmers' Organizations for Asia (FO4A)	Asian Farmers' Association for Sustainable Rural Development (AFA)/Agricord	Farmers' organizations have the professional capacity to provide sustainable demand-driven (business and technical) services to their members and engage in effective policy dialogue for the improved livelihoods and incomes of small-scale farmer/producers in Asia and the Pacific.	APFP 2019–2024 FO4A 2019–2025	Regional grant. AFA partners in the Philippines: PAKISAMA, Federation of Free Farmers (FFF), Pambansang Katipunan ng Samahan sa Kanayunan (PKSK), the Federation of Coconut Farmers and Farm Workers Association for Progress (FECOFFWA) and Family Farmers' Agriculture Fishery Forestry Cooperatives Federation (AgriCooph).  Agricord members in the Philippines: Asian Partnership for the Development of Human Resources in Rural Areas (AsiaDHRRRA), We Effect,

				Trias and the Collectif Stratégie Alimentaire (CSA)
Sustainable Farming in Tropical Asian Landscapes (SFITAL)	World Agroforestry (ICRAF)	Transform small-scale producers into both agroentrepreneurs and environmental agents who benefit from sustainably managed value chains in Asia	2020–2025	Regional grant in Davao de Oro (Region 11)
Enhancing the results-based monitoring and evaluation through innovative ICT solutions: Linking Upland Farmers to Market and Improving Municipal Waters Governance	FAO-PH	Demonstrate replicable ICT models for (i) project services; and (ii) participatory, quantitative and qualitative assessment of market transactions, natural resources and project interventions and outcomes.	2019–2022	CHARMP2, FishCORAL and INREMP–BMCRRP projects
Agricultural Transformation and Market Integration in the ASEAN Region: Responding to Food Security and Inclusiveness Concerns (ATMI-ASEAN)	International Food Policy Research Institute (IFPRI)/ Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA)	Ensure that: (i) policies and programmes promoting the role of small-scale rural producers are included in the ASEAN Integrated Food Security Framework and Strategic Plan of Action 2021–2025; and (ii) investments for the expansion of agrifood industries in the ASEAN common market provide opportunities for small-scale producers to participate and benefit from the integration of regional agrifood markets and the transformation of agrifood systems.	2017–2022	Regional grant. In Philippines: DA, DTI and the University of the Philippines Los Baños (UPLB).

## Results management framework

Country strategy alignment	Related UNSDCF/SDG outcomes	IFAD's SOs	Key COSOP results			
			Strategic objectives	Investments and non-financial activities for the COSOP period	Outcome indicators	Output indicators
<p>Long-term development in the Philippines is anchored on "AmBisyon Natin 2040" which envisions that "the Philippines shall be a prosperous, predominantly middle-class society where no one is poor; our people shall live long and healthy lives, be smart and innovative, and shall live in a high-trust society".</p>	<p>SDG 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance</p>	<p>SO3: Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities</p>	<p><b>Strategic Objective 1:</b> Enhance the resilience of small producers to economic and climate shocks and protect and rehabilitate the fragile eco-systems of the country.</p>	<p><b>Lending/Investment Activities:</b> Natural resource management investments (One new investment project: <b>VISTA</b>)</p> <p><b>Non-lending activities</b></p> <ul style="list-style-type: none"> <li>• CLPE Initiatives:                             <ul style="list-style-type: none"> <li>o LGU capacity development on NRM</li> <li>o vulnerability and climate risk analysis in the planning process is institutionalized</li> <li>o informed decision making around land tenure and competing land uses through knowledge products and technical support.</li> </ul> </li> <li>• <b>KLMPE</b> addresses ecosystem issues</li> <li>• <b>SSTC</b> on digital approaches to ecosystem-based planning</li> </ul>	<ul style="list-style-type: none"> <li>• CI 1.2.1: 30,000 households reporting improved access to land, forests, water or water bodies for production purposes</li> <li>• CI 3.2.2: 30,000 households reporting adoption of environmentally sustainable and climate-resilient technologies and practices (RMF 11)</li> <li>• Policy 3: Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment</li> </ul>	<ul style="list-style-type: none"> <li>• CI 1: 110,000 persons (women 50%, Youth 20%, indigenous peoples 10%) receiving services from the project</li> <li>• CI 1a: 110,000 households reached</li> <li>• CI 3.1.1. 200 groups supported to sustainably manage natural resources, enhance biodiversity, and limit climate-related risks</li> <li>• CI 3.1.2. 10,000 persons provided with climate information services</li> <li>• 40,000 Households receiving support for the adoption of environmentally sustainable and climate-resilient technologies and practices.</li> </ul>

						<ul style="list-style-type: none"> <li>• 100 NRM plans implemented improving access to natural resources for 35,000 households.</li> <li>• Number of biodiversity-related knowledge products created and disseminated</li> <li>• Policy 1: Policy-relevant knowledge products completed</li> </ul>
	<p>SDG 2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.</p>	<p>SO1: Increase poor rural people’s productive capacities</p> <p>SO2: Increase poor rural people’s benefits from market participation</p>	<p><b>Strategic Objective 2:</b> Promote inclusive, resilient, and sustainable agricultural value chains to increase productivity, employment opportunities, and incomes for poor rural communities.</p>	<p><b>Lending/Investment Activities:</b> Value change development/strengthening investments (One new investment project: <b>VISTA</b> and ongoing project: <b>RAPID</b>)</p> <p><b>Non-lending activities</b></p> <ul style="list-style-type: none"> <li>• <b>CLPE Initiatives:</b> <ul style="list-style-type: none"> <li>o LGU capacity development on VCD</li> <li>o enabling platforms (e.g. ARDKPP, multi rural stakeholder platforms)</li> </ul> </li> <li>• <b>KLMPE</b> addresses VCD/S issues</li> <li>• <b>SSTC</b> on digital approaches to VCD/S</li> </ul>	<ul style="list-style-type: none"> <li>• CI 1.2.5: 5,000 households in VC reporting using rural financial services</li> <li>• CI 2.2.1: 40,000 beneficiaries with new jobs/employment opportunities</li> <li>• CI 2.2.2: 80% of supported rural enterprises reporting an increase in profit</li> <li>• CI 2.2.3. 60% of rural producer organizations engaged in formal partnerships/agreements or contracts with public or private entities</li> <li>• CI 2.2.5. 80% of supported rural producer organizations reporting an increase in sales</li> <li>• CI 2.2.6: 80,000 households reporting improved physical access to either markets,</li> </ul>	<ul style="list-style-type: none"> <li>• CI 1.1.7 20,000 persons trained in financial literacy and/or use of i</li> <li>• C1 2.1.1. 1,000 rural enterprises accessing business development services</li> <li>• CI 2.1.2. 50.000 persons trained in income generating activities or business management</li> <li>• C.2.1.3. 500 rural producer organizations supported</li> <li>• 500 producer organizations involved in VC investment planning</li> <li>• CI 2.1.5: Roads constructed, rehabilitated or upgraded</li> </ul>

					<p>processing, and or storage facilities</p> <ul style="list-style-type: none"> <li>• CI 1.2.8: Women reporting Minimum Dietary Diversity (MDDW)</li> <li>• Policy 3: Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment</li> </ul>	<ul style="list-style-type: none"> <li>• Policy 1: Policy-relevant knowledge products completed</li> <li>• Policy 2: Functioning multi-stakeholder platforms supported</li> </ul>
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## Key files

### Key file 1: Rural Poverty and agricultural sector issues (refers to chapter I C)

Priority Areas	Affected Group	Major Issues	Actions Needed
Lack of scale in agricultural products	Small holder farmers and fishers	<ul style="list-style-type: none"> <li>Limited number of commercial scale consolidation of agricultural products by small holder farmers and fishers</li> <li>Difficulty of farmers and fishers to meet volume, quality, and frequency of delivery required by big buyers</li> <li>Unscrupulous traders and middlemen who exploit the inability of small producers to sell directly to big buyers</li> </ul>	<ul style="list-style-type: none"> <li>Intensify efforts at organizing small holder farmers and fishers to supply the volume and quality required by commercial establishments</li> <li>Coordinate availability and delivery of support services along the value chain to enable small holder farmers and fishers to supply directly to commercial establishments</li> <li>Promote hub and spoke system where bigger/more commercially successful farmers/fishers groups serve as business partners to smaller, less experienced organizations</li> </ul>
Poor financial performance of government assisted rural enterprises Low institutional capacity for developing commercially viable rural enterprises	Beneficiaries of government assisted rural enterprises	<ul style="list-style-type: none"> <li>Many government organized/supported rural enterprise fail after project support ends</li> <li>Poor management of rural enterprises</li> <li>Poor design of government subsidies which fail to elicit entrepreneurial mindset among beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise development interventions must be geared towards commercialization of rural enterprises (e.g. strengthening financial management systems, calibrate delivery of subsidies according to needs and utilization capacity and not according to disbursement targets, etc.)</li> <li>Entrepreneurship development training for frontline government personnel who are involved in enterprise development in order to improve their business mindset and develop their competency to work with partners who can more effectively deliver enterprise development services</li> <li>Outsourcing of business management to professional managers or private entities which are more entrepreneurially competent, will agree to equitable profit-sharing arrangements, and are willing to mentor farmer/fisherfolk leaders in business management</li> </ul>
Lack of access to capital and infrastructure	Small holder farmers/fishers groups Rural communities	<ul style="list-style-type: none"> <li>Lack of credit history of small, start-up enterprises</li> <li>Risk aversion of private financial institutions towards rural enterprises</li> <li>Weak market for financial services in rural areas</li> <li>Limited availability of post-harvest and storage</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen farmers/fisher organizations to build the business case for investment and including legally register with relevant agencies.</li> <li>Catalyze private investment and finance in rural enterprises, through the use of improved public financing instruments serving as seed capital, risk buy down, and first loss coverage. (matching grants, credit guarantees, public ag insurance)</li> </ul>



Priority Areas	Affected Group	Major Issues	Actions Needed
		<p>facilities</p> <ul style="list-style-type: none"> <li>• Insecure land tenure and tenurial overlaps mean land cannot be used to secure finance and credit</li> <li>• Gaps in transport infrastructure impacting on market accessibility</li> </ul>	<ul style="list-style-type: none"> <li>• Work with agencies, private sector finance and services supporting land reform agendas and innovations to improve outreach, services and products, inclusive of VC finance.</li> <li>• Calibrate the enabling environment for rural financing by providing incentives to private financial institutions that will participate in the value chain financing program of government</li> </ul>
Diminishing natural resources and adverse impact of climate change on agriculture	Rural communities Small holder farmers and fishers groups	<ul style="list-style-type: none"> <li>• Increasing intensity and frequency of natural calamities that impact natural resources and the livelihood of rural communities</li> <li>• Increasing impact of overextraction and unhampered use of chemicals that are damaging to the natural resource base</li> <li>• Lack of awareness/capability to mitigate damage of natural calamities on natural resources and measures to enhance biodiversity of rural ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>• Increase awareness and capability of small holder farmers and fishers ecosystem to climate change adaptation strategies and disaster risk management by building and demonstrating the business case to invest.</li> <li>• Invest in strengthening local structures and capability to plan for and manage ecosystem natural resource management and biodiversity conservation</li> <li>• Improve local partnerships and seed investments in natural resource management and biodiversity conservation in a given landscape</li> <li>• Increase investments in building institutional capacity and inter-agency collaboration for natural resource management and biodiversity conservation</li> </ul>
Low utilization of modern agricultural technology	Small holder farmers and fishers Rural families involved in agriculture	<ul style="list-style-type: none"> <li>• Low propagation of available agricultural technology (agritech)</li> <li>• Aversion of aging farmers in using modern agritech</li> </ul>	<ul style="list-style-type: none"> <li>• Government to increase investments in applying available agritech in farming/fishing areas and increase investments in research and development of more appropriate agritech</li> <li>• Enhance capacities of LGU agricultural extension workers</li> <li>• Mobilize the youth in application of agritech in their own communities, family enterprises</li> </ul>
Lack of participation of the youth in farming and rural enterprise development	Small holder farmers and fishers groups Rural youth	<ul style="list-style-type: none"> <li>• Disinterest in farming among the youth due to the poor economic returns in agriculture</li> <li>• Lack of consciousness among rural enterprise development actors to involve the youth in agricultural development</li> </ul>	<ul style="list-style-type: none"> <li>• Provide scholarships and other incentives to encourage the descendants of the leaders of rural enterprise beneficiaries to study agroenterprise development</li> <li>• Build the business case for farming as a business.</li> <li>• Invest in training the youth and students in the use of modern agritech, partner with academic institutions (particularly state</li> </ul>

Priority Areas	Affected Group	Major Issues	Actions Needed
			colleges and universities) in using their extension services in this regard

**Key file 2: Target group identification. Priority issues and potential response** (refers to chapter I-C, III-C)

Typology	Poverty Levels and Causes	Coping Actions	Priority Needs	COSOP Response
Poor smallholder farmers	High poverty levels <ul style="list-style-type: none"> <li>Limited market and transport linkages</li> <li>High input costs</li> <li>Low production levels</li> <li>Vulnerability to calamities</li> <li>Small land parcels and unsecure tenure</li> </ul>	<ul style="list-style-type: none"> <li>Community-based adaptation</li> <li>Subsistence agriculture</li> <li>Land leasing</li> <li>Stock raising</li> </ul>	<ul style="list-style-type: none"> <li>Increased income</li> <li>Increased market opportunities</li> <li>Protection of resources and inputs</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise expansion and strengthening</li> <li>Product diversification and value adding</li> <li>Market linkages</li> <li>Sustainable management of resource base</li> </ul>
Small-scale fishers	High poverty levels <ul style="list-style-type: none"> <li>Limited market and transport linkages</li> <li>Low production levels</li> </ul>	<ul style="list-style-type: none"> <li>Alternative livelihood</li> <li>Migration</li> </ul>	<ul style="list-style-type: none"> <li>Protection of resources</li> <li>Increased market opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise expansion and strengthening</li> <li>Product diversification and value adding</li> <li>New technologies on processing to widen market opportunities</li> <li>Address threats to livelihoods, e.g. illegal fisheries</li> <li>Sustainable management of resource base</li> </ul>
Agrarian reform beneficiaries	Medium levels of poverty <ul style="list-style-type: none"> <li>Limited income diversification</li> <li>Fragile ecosystems and vulnerability to calamities</li> </ul>	<ul style="list-style-type: none"> <li>Community-based adaptation</li> </ul>	<ul style="list-style-type: none"> <li>Protection of resources and inputs</li> <li>Access to credit</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable management of resource base</li> <li>Product diversification and value adding</li> </ul>
Indigenous communities	Diversity in poverty levels but high in target areas <ul style="list-style-type: none"> <li>Isolated and fragile landscapes</li> <li>Lack of crop and income diversification</li> </ul>	<ul style="list-style-type: none"> <li>Community-based adaptation</li> <li>Shifts in agricultural practices</li> </ul>	<ul style="list-style-type: none"> <li>Protection of resources and inputs</li> <li>Self-determination</li> <li>Market linkages</li> <li>Transport and access infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Ecosystem protection</li> <li>Enterprise strengthening</li> <li>Product diversification, and value adding and consolidation</li> </ul>

**Key file 2: Target group identification. Priority issues and potential response** (refers to chapter I-C, III-C)

<b>Typology</b>	<b>Poverty Levels and Causes</b>	<b>Coping Actions</b>	<b>Priority Needs</b>	<b>COSOP Response</b>
Rural unemployed	High poverty levels <ul style="list-style-type: none"> <li>Limited employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Migration to urban centers</li> <li>Seek employment in factories</li> </ul>	<ul style="list-style-type: none"> <li>Expanded employment opportunities</li> <li>Access to credit</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise and organization strengthening</li> <li>Product diversification and value adding</li> </ul>
Small scale producers and entrepreneurs	Medium poverty levels <ul style="list-style-type: none"> <li>Limited market linkages and opportunities</li> <li>Low levels of output</li> <li>Limited post-harvesting and storage infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Community organisations</li> </ul>	<ul style="list-style-type: none"> <li>Management of enterprises and organisations</li> <li>Market linkages</li> </ul>	<ul style="list-style-type: none"> <li>Market linkages</li> <li>Enterprise and organization strengthening</li> </ul>

**Key file 3: Organisation matrix (strength, weaknesses, opportunities and threats analysis)** (refers to chapter I-C, III-B, IV-B, C, G)

The following institutions would be important for project implementation and oversight.

<b>National Economic and Development Authority (NEDA)</b> oversight agency responsible for economic development and planning.
<b>Department of Finance (DoF)</b> formulates policies for funding critical government programs. It chairs the People’s Survival Fund (PSF) created by RA 10174 (2012) to better equip vulnerable communities to deal with climate change impacts.
<b>Local Government Units (LGUs)</b> deliver public services for rural and agricultural development under the Local Government Code RA 7160 (1991) through Comprehensive Development Plans (CDPs), with expanded authority under the Mandanas-Garcia ruling, Executive Order 138 (2022).
<b>Department of Agriculture (DA)</b> agency responsible for promotion of agricultural and fisheries development and growth at national and regional levels to support decentralized LGU level extension services. Key technical bureaus include Fisheries and Aquatic Resources (BFAR) and Soil & Water Management (BSWM)
<b>Department of Agrarian Reform (DAR)</b> is responsible for the redistribution of agrarian land and for leading the implementation of the Comprehensive Agrarian Reform Program (CARP) support services.
<b>Department of Environment and Natural Resources (DENR)</b> is responsible for the conservation, management, development, and proper use of environment and natural resources.
<b>Department of Trade and Industry (DTI)</b> is responsible for supporting a globally competitive and innovative industry and services sector.
<b>National Commission on Indigenous Peoples (NCIP)</b> sits within the Office of the President and is responsible for protecting the rights, interests and well-being of IPs under the Indigenous People’s Rights Act (IPRA) of 1997.
Other agencies relevant for this COSOP include the Departments of: Science and Technology, Interior and Local Government, Social Welfare and Development, the National Irrigation Administration (NIA), and the Climate Change Commission (CCC) under the Office of the President for implementation of the Climate Change Act 9729 (2009).

<b>Organization</b>	<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities/Threats</b>	<b>IFAD Response</b>
<b><i>Enablers</i></b>				
<b>Local Government Units (LGUs)</b>	<ul style="list-style-type: none"> <li>Local level coordination</li> </ul>	<ul style="list-style-type: none"> <li>Variation in capacity and resources</li> </ul>	<ul style="list-style-type: none"> <li>O – Mandanas Garcia Ruling – increase in funds and responsibility</li> <li>T – increased responsibility and mandate</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen capacities on relevant devolved functions</li> </ul>
<b>Department of Agriculture (DA)</b>	<ul style="list-style-type: none"> <li>Decentralised with the ability to provide extension services</li> <li>Specialist bureaus e.g. BFAR, BSWM</li> </ul>	<ul style="list-style-type: none"> <li>Limited additional capacity</li> <li>Weak programmatic engagement with LGUs on extension services</li> </ul>	<ul style="list-style-type: none"> <li>O – shared focus on mechanization and digitalization, roadmap development, infrastructure</li> <li>T – Inability to reach target communities</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen DA community engagements such as F2C2 and other programs</li> </ul>
<b>Department of Agrarian Reform (DAR)</b>	<ul style="list-style-type: none"> <li>Strong relationships with communities</li> <li>Presence at the field level</li> </ul>	<ul style="list-style-type: none"> <li>Linking community concerns with relevant agencies and LGUs</li> </ul>	<ul style="list-style-type: none"> <li>O - Experience in participatory inclusive value chain development through implementation of IFAD projects</li> <li>T – Sustainability plans not implemented</li> <li>T – land tenure insecurity</li> </ul>	<ul style="list-style-type: none"> <li>Leverage opportunity to address rural poverty reduction</li> </ul>
<b>Department of Environment and Natural Resources (DENR)</b>	<ul style="list-style-type: none"> <li>Clear mandate</li> <li>Expertise in resource management</li> </ul>	<ul style="list-style-type: none"> <li>Centralized</li> </ul>	<ul style="list-style-type: none"> <li>O- GEF Focal Point</li> <li>T – Overlapping jurisdictions of upland areas with ancestral domain and agricultural lands</li> </ul>	<ul style="list-style-type: none"> <li>Work closely with CSI-SRD to facilitate Leverage partnership for program implementation</li> </ul>

<b>Organization</b>	<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities/Threats</b>	<b>IFAD Response</b>
<b>National Economic and Development Authority (NEDA)</b>	<ul style="list-style-type: none"> <li>• Provide venue for collaborative planning and resolution of overlapping jurisdictions</li> </ul>	<ul style="list-style-type: none"> <li>• Centralized</li> </ul>	<ul style="list-style-type: none"> <li>• O – shared focus areas e.g. generating jobs, digitalization, food security etc</li> <li>• T – minimal budget for collaborative programs</li> </ul>	<ul style="list-style-type: none"> <li>• Align programs with government and partner priorities</li> </ul>
<b>National Commission on Indigenous Peoples (NCIP)</b>	<ul style="list-style-type: none"> <li>• Strong mandate and leadership</li> <li>• Passionate staff</li> </ul>	<ul style="list-style-type: none"> <li>• Limited resources</li> <li>• Need to strengthen capacities of field staff</li> </ul>	<ul style="list-style-type: none"> <li>• O – Clarity of program implementation based on its mandate</li> <li>• T – Budget support</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion of IP communities, NCIP participation is crucial</li> </ul>
<b>National Convergence Initiative for Sustainable Rural Development (NCI-SRD)</b>	<ul style="list-style-type: none"> <li>• Multi-agency</li> <li>• Coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Newly formed</li> </ul>	<ul style="list-style-type: none"> <li>• O – convergence approaches</li> <li>• O – Reduce duplication</li> <li>• O – increase learning</li> <li>• T – limited capacity and resource allocation</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage potential platform for collaboration of participating agencies</li> </ul>
<b>Department of Trade and Industry (DTI)</b>	<ul style="list-style-type: none"> <li>• Strong economic experience</li> <li>• Previous IFAD engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Need for a more programmatic support in building community enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• O – Market linkage facilitation</li> </ul>	<ul style="list-style-type: none"> <li>• Provide broad economic support to local enterprises for emerging global markets</li> </ul>
<b>Service Providers</b> (CSOs, cooperatives, academe. Business chambers and established POs)	<ul style="list-style-type: none"> <li>• Expertise in providing needed services by community organizations</li> <li>• Conversant with local context and challenges</li> </ul>	<ul style="list-style-type: none"> <li>• Limited geographical coverage</li> </ul>	<ul style="list-style-type: none"> <li>• O – Service providers are increasing in number</li> <li>• T – Budgetary constraints</li> </ul>	<ul style="list-style-type: none"> <li>• Promote multi-stakeholder collaboration connecting community projects and policy interventions</li> </ul>

<b>Organization</b>	<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities/Threats</b>	<b>IFAD Response</b>
<b>Client Organizations</b> <i>(Farmers, fisher groups and IPs; Also focus on women and youth)</i>	<ul style="list-style-type: none"> <li>• Enhance sustainability of projects</li> <li>• Vibrant community participants</li> </ul>	<ul style="list-style-type: none"> <li>• Require strong support of partners and service providers</li> </ul>	<p>O - Policy support and needed services are available</p> <p>T - Need expertise in stakeholder management</p>	<ul style="list-style-type: none"> <li>• Promote ways for inclusive development</li> </ul>

**Key File 4: Strategic partnerships potential** (refers to chapter IV-B,G, V-A)

<b>Partnering objective</b>	<b>Partner</b>	<b>Nature of project or justification for partnering</b>	<b>Project/Programme Coverage</b>	<b>Status</b>	<b>Expected results from the partnership</b>
	SO1 – Protect and enhance natural resource base				
Coherence in plan implementation	LGUs	Local presence and implementation of local plans <ul style="list-style-type: none"> <li>•RAPID</li> <li>•ConVERGE</li> <li>•Proposed Project 1</li> <li>•Proposed Project 2</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable, market-based VCD</li> <li>• VCD in ARCs</li> <li>• EBA to VCD in ARCs and local planning</li> <li>• EBA to VCD in coastal communities</li> </ul>	2018-2025 2015-2023	Delivery at the local level Increased coherence of policies and plans
Extension service	DA	Strength in technical extension services  Primary agricultural agency	<ul style="list-style-type: none"> <li>• Link to DA main programmes for technical support, e-commerce and research and development</li> </ul>	2023-2028	<ul style="list-style-type: none"> <li>• Delivery of capacity-building and technical extension services for agricultural communities and organisations</li> <li>• Convergence approaches</li> <li>• Engagement in CLPE activities</li> </ul>
Grant financing	DENR	<ul style="list-style-type: none"> <li>• GEF focal agency</li> </ul>	<ul style="list-style-type: none"> <li>• Financing for Proposed Project 1</li> <li>• Engagement in CLPE activities</li> </ul>	2023-2028	GEF Grant for NRM and biodiversity protection activities
Entry point for ARCs	DAR	Community connections in ARCs <ul style="list-style-type: none"> <li>•ConVERGE</li> <li>•Implementing agency for proposed project 1</li> </ul>	<ul style="list-style-type: none"> <li>• VCD in ARCs</li> <li>• EBA to VCD in ARCs and local planning</li> </ul>	2015-2023  2023-2028	<ul style="list-style-type: none"> <li>• Convergence approaches</li> <li>• Engagement in CLPE activities</li> </ul>



<b>Partnering objective</b>	<b>Partner</b>	<b>Nature of project or justification for partnering</b>	<b>Project/Programme Coverage</b>	<b>Status</b>	<b>Expected results from the partnership</b>
					<ul style="list-style-type: none"> <li>• Implementation of proposed project 1</li> </ul>
Market linkages	DTI	Market connections <ul style="list-style-type: none"> <li>•Rapid</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable, market-based VCD</li> </ul>	2018-2025	<ul style="list-style-type: none"> <li>• Convergence approaches</li> <li>• Engagement in CLPE activities</li> </ul>
Coherence of approaches across agencies	NCI-SRD	Coherence of rural development initiatives	<ul style="list-style-type: none"> <li>• Strategic engagement of national agencies and links to LGU</li> </ul>	2023-2028	<ul style="list-style-type: none"> <li>• Convergence approaches</li> <li>• Engagement in CLPE activities</li> </ul>
SSTC and policy-practice cycle strengthening	CSOs	Regional reach and connections up to policy level and down to communities.	<ul style="list-style-type: none"> <li>• In response to demand and based on lessons emerging</li> </ul>	2023-2028	<ul style="list-style-type: none"> <li>• CSOs assist farmer and fisherfolk to establish organisations and empower communities</li> <li>• Engagement in CLPE activities</li> <li>• CSOs take learnings from engagement with COSOP to other contexts</li> </ul>
Innovation through new research, approaches and technologies	Academe	Knowledge management and generation expertise	<ul style="list-style-type: none"> <li>• Engagement with lending and non-lending innovations and technical support across all projects.</li> </ul>	2023-2028	<ul style="list-style-type: none"> <li>• Innovative processes and technologies</li> </ul>
Increased private sector engagement	Private Sector (Business chambers)	Market linkages and business management expertise	<ul style="list-style-type: none"> <li>• Direct VCD engagement in specific projects VC activities</li> </ul>	2023-2028	<ul style="list-style-type: none"> <li>• Develop market linkages</li> </ul>

## Transition projections

This Appendix aims at outlining the most likely economic transition pathway over the COSOP lifetime (2022-2028) as captured through a series of projected macroeconomic and sector-level indicators and attendant upward and downward risk factors. This risk-based outlook exercise is meant to better ground IFAD's overall engagement through the proposed COSOP in the country's evolving socio-economic context and to inform the fund's ongoing efforts to enhance its value proposition to middle-income countries. The Philippines, one of the emerging market economies in South East Asia, is currently classified by the World Bank as a lower middle-income country. Its GNI per capita stood at USD 3,640 in 2021.

According to the Government's Bureau of Treasury, the country aims to graduate into the "upper-middle income" category by 2028 thanks to the enactment of a series of structural reforms and high-level initiatives such as the 8-point socio-economic recovery program which aims, *inter alia*, to reduce poverty to 9 percent by 2028<sup>20</sup>.

Following a sharp contraction in 2020 (-9.5 percent), the Philippine economy has managed to rebound and has managed to largely regain its pre-pandemic growth levels. According to IMF projections, the GDP growth<sup>21</sup> is projected to accelerate to 6.5 percent in 2022 rising from 5.7 percent in 2021 due to the drop in COVID-19 caseloads and relatively well-managed economic reopening across sectors.

However, given the weak external environment and lingering geopolitical uncertainty, the GDP growth is expected to decelerate to 5 percent in 2023 and then to gradually accelerate to an estimated 6.3 percent in 2027. This growth scenario makes the GoPH objective to reach upper middle-income status by 2028 or even before that date highly likely. The President Marcos Jr's new Administration drive to secure a sustainable, inclusive, and green recovery under the soon-to-be finalized PDP will be instrumental in that regard.

The new Administration, which took office on July 1<sup>st</sup> 2022, had so far, its immediate attention centred on reducing the impact of soaring food prices on poor households and farmers. Although direct trade linkages with Russia and Ukraine are negligible, Philippines is mostly grappling with indirect economic spill-overs from the still unfolding conflict between these two nations. Geopolitical tensions as well as China's zero-covid policy are the main drivers of the current global economy deceleration. The latter factors are weighing down on the country's export shares to major economies of US, EU and China. This situation, if persistent, could significantly alter the above-mentioned medium-term growth outlook.

Downward risk factors to the above transition scenario are mainly associated with short-to medium-term rising inflation, the nature of the country's financing mix as well as the level of public and private investments earmarked to sectors with high poverty-reduction potential such as agriculture and rural development.

The average inflation for 2022<sup>22</sup> is projected to edge up to 5.8 percent from the previous GoPH assumption of 4.5 to 5.5 percent given the persisting high energy and food prices. However, inflation is expected to moderate in the medium-term reaching 2.5 to 4.5 percent in 2023 before returning to the target range of 2.0 to 4.0 percent by 2024.

The rise in global commodity prices is particularly concerning for rural households. Surge in commodity prices has a direct significant impact on domestic inflation as income wages cannot be adjusted to rising commodity prices in the near-term, causing significant reductions in real incomes and thus denting purchasing power.

<sup>20</sup> [Poverty and Equity Brief, The World Bank, October 2022](#)

<sup>21</sup> [IMF IV Consultation Philippines](#)

<sup>22</sup> [JOINT STATEMENT OF THE Ministry of Finance- THE MEDIUM-TERM MACROECONOMIC ASSUMPTIONS AND FISCAL PROGRAM FOR FY 2023 to 2028](#)

Another potential downward risk factor is associated with the country's financing mix. According to the OECD transition finance toolkit<sup>23</sup>, the current composition of the country's financing mix is made of 51 percent from tax revenue, 37 percent remittances, FDI 8 percent, OOF 2 percent and ODA 1 percent. While relatively stable domestic tax revenue is the dominant element of the funding mix, the importance of remittances is exposing the country to the external volatility traditionally associated with remittances inflows.

On the positive side, significant upward risk factors are likely to increase the likelihood of the growth outlook underpinning this proposed COSOP: significant fiscal consolidation has been achieved as the rise in public revenues and decrease in public spending resulted in a narrower fiscal deficit (from 8.3 percent of GDP in 2020 at the height of the pandemic to an estimated 6.5 percent of GDP in 2022). However, stimulus expenditure during the pandemic caused the national debt ratio to rise, reaching 63.7 percent of GDP as of the end of September 2022. That said, this uptick in public indebtedness is not a matter of concern as a large portion of national debt is denominated in local currency (68.5 percent of the total) and debt maturity profile is largely skewed towards medium- to long-term tenors (96.2 percent of the total debt). The likelihood of the realization of the proposed transition scenario and attendant growth outlook is also bolstered by the prominence given to agriculture in the country's Medium-Term Fiscal Framework (MTFT). The latter framework aims at bringing down poverty prevalence into the single-digit area (a target of 9 percent rate by 2028) while reducing debt-to-GDP ratio to below 60 percent from the current 63.7 percent.

Reducing the poverty rate from 23.7 percent in the first half of 2021 to single digit by 2028 will require, *inter alia*, increasing agricultural productivity. To that end, the Authorities intend to scale up efforts to promote farm clustering and consolidation, increase investments to develop improved seeds and seedlings, introduce modern agro-processing technologies, and commit more resources towards climate change adaptation and mitigation while rationalizing agricultural subsidies.

Rationalization of subsidies would require shifting more support measures away from rice to benefit other high-value crops. The IMF reckons that the continued focus on supporting rice production has come at the expense of other agricultural products. As a result, Filipino consumers pay for food approximately 40 percent higher than the other ASEAN countries causing higher domestic inflation.

As the new Administration moves forward, achieving effective public spending in the agricultural sector and improving the overall investment ecosystem to pave the way for increased public and private investments into agriculture will be key to achieve the PDP's overarching objective related to fostering economic transformation for a prosperous, inclusive and resilient society.

It is within this expected transitional context that the new COSOP has been formulated. There are a number of operational implications, mainly related to:

*(a) Lending terms and conditions*

The Philippines is currently a LMIC, receiving loans from both PBAS and BRAM funding windows. Loans are currently priced at ordinary terms. Projections of GDP growth over the COSOP period would see the country reach an UMIC status, possibly by the start of IFAD13 lending cycle. This transition from a dual access to the two current IFAD funding windows (i.e. PBAS and BRAM) could potentially affect the overall volume of resources to be committed over the COSOP period (availability of BRAM resources and the overall BRAM envelope are determined as part of the replenishment consultations and are harder to predict from one lending cycle to the other)

*(b) COSOP priorities and products (e.g., investment projects, policy engagement, reimbursable technical assistance)*

It is expected that the proposed COSOP priorities and associated products will remain highly relevant throughout the entire COSOP lifetime. However, a higher emphasis on

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<sup>23</sup> [Transition Finance Toolkit OECD](#)

non-lending engagement would be needed as the country is expected to attain UMIC status over the course of the COSOP implementation. IFAD will need to be more proactive in policy engagement and on forging new partnerships to better accompany the country's efforts towards a more sustainable green economy and inclusive rural transformation. That said, the shift in income status and the associated shift in access from a mix of PBAS/BRAM to an exclusive access to BRAM would most likely entail adjustments in the type of investment projects to be included in the pipeline over the COSOP period, particularly starting from IFAD13.

*(c) Co-Financing opportunities and partnerships*

Given the relatively sound macroeconomic fundamentals underpinning the present transition scenario, the country is expected to be able to attract major international co-financing from ADB, WB, IsDB and possibly from various regional and global climate finance funds and facilities. Partnerships with Government Ministries, non-government organisations-reflecting interest of the indigenous people, farmers organisations to reflect traditional and structural challenges and civil societies are expected to improve the portfolio implementation performance over the COSOP's timeline. IFAD's partnership with private sector players like MARS Inc. will continue to feature prominently. Due to higher government revenues, domestic co-financing and partnership opportunities should increase over the lifetime of the COSOP.

# SECAP background study

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## 1. Introduction

1. The overall COSOP goal for 2023-2028 is “Poor and vulnerable rural populations achieve reduced rural poverty, strengthened livelihoods, and improved food security and resilience.” The COSOP has two strategic objectives: **Strategic Objective 1:** Enhance the resilience of small producers to economic and climate shocks and protect and rehabilitate the fragile eco-systems of the country. **Strategic Objective 2:** Promote inclusive, resilient, and sustainable agricultural value chains to increase productivity, employment opportunities, and incomes for poor rural communities.
2. **IFAD’s SECAP and Objective.** The Social, Environmental and Climate Assessment Procedures (SECAP) provides IFAD’s guiding values and principles in order to define its strategy for assessing social, environmental and climate risks to enhance the sustainability of results-based country strategic opportunities programmes (RB-COSOPs), country strategy notes (CSNs), programmes and projects. SECAP 2021 applies to all new IFAD-supported programmes and projects entering the pipeline after 1 August 2021.<sup>24</sup> Nine environmental and standards (ES) guide the assessment and management of investment risks: (i) ES1: Biodiversity conservation, (ii) ES2: Resource efficiency and pollution prevention, (iii) ES3: Cultural heritage, (iv) ES4: Indigenous peoples, (v) Labour and working conditions, (vi) ES6: Community health and safety, (vii) ES7: Physical and economic resettlement, (viii) ES8: Financial intermediaries and direct investments, and (ix) ES9: Climate change. An environmental and social exclusion list is provided in Attachment 1.
3. **Approach and Methodology.** IFAD engaged two SECAP Specialists to prepare the SECAP study from October to December 2022. A desk review of literature and policy documents was conducted, followed by an assessment of available database from open access sites and those shared by key Government offices. Consultations were made with COSOP implementation partners and other stakeholders from government, civil society, and donor sectors from October 27 – November 11, 2022 and site visits made in CARAGA and Region X (Northern Mindanao) from October 22-26, 2022.

## 2. Situational Analysis and Main Challenges

4. **Country Context.** The Philippines is an archipelago in Southeast Asia with a total area of 300,000 square kilometers, composed of at least 7,100 islands. The 11 largest islands account for 92 percent of the country’s total area. Geographically, it can be categorized into three major island groups—Luzon in the north that occupies 47 percent of the total land area, Mindanao in the south that accounts for 47 percent of the country’s land area, and Visayas that is situated between Luzon and Visayas, covering of 19 percent of the country’s land area. Luzon is divided into 7 regions, Visayas into 3 regions, and Mindanao into 5 regions. The country is bounded by the West Philippine Sea in the west and Sulu and Celebes Sea in the south. Other bodies of water that surround the country are bays, lakes, and gulfs.
5. The country is an agricultural country with 47 percent of its land intended for agriculture.<sup>25</sup> The tropical climate and fertile soil also provides ideal conditions for agriculture. There are only two seasons: dry and wet/rainy season. Rainy season usually lasts from June to November. Staple crops planted in the Philippines are rice, corn, coconut, sugarcane, and tobacco.
6. The Philippines’ economy had steady growth but was slowed by the COVID-19 pandemic with a 9.5 percent contraction affecting the physical and human capital accumulation and lowering the country’s growth potential. During the second quarter

<sup>24</sup> The first IFAD-SECAP took effect on January 2015. By 2017, an update to the SECAP, along with guidance statements, provided the mandatory requirements and other elements integrated throughout the project life cycle.

<sup>25</sup> OECD. 2017, “The agricultural policy context in the Philippines”, in *Agricultural Policies in the Philippines* (OECD Food and Agricultural Reviews), OECD, doi:10.1787/24114278.

of 2022, the economy has sustained its expansion with a GDP growth of 7.4 percent<sup>26</sup>. In 2021, the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM), Region X, Region XII, and Region IX have surpassed their GRDP in 2019. Other regions posted a positive GRDP growth rate compared to the 2020 level but are still behind from their pre-pandemic levels. The National Capital Region (NCR) has still the highest share in the national economy (32 percent) followed by Region IV-A (14 percent) and Region III (11 percent). With the implementation of COVID-19 policies during the pandemic, economic activities are slowly increasing after its derailment due to the COVID-19 cases surge and inflation last 2021<sup>27</sup>.

7. Poverty incidence in the country also increased in 2021 with national poverty at 18.1 percent, about 19.99 million poor Filipinos<sup>28</sup>. BARMM remains the region with the highest poverty incidence at 29.8 percent. The country's highly urbanized cities (HUCs) have low poverty incidence compared to a number of provinces in the country. Poverty reduction in rural areas will take some time due to the slow recovery of sectors, such as agriculture and traditional services, associated with rural employment<sup>29</sup>. The highest poverty incidences among the basic sectors are experienced by the country's farmers and fisherfolks, 30.0 percent and 30.6 percent respectively. Attachment 2-1 provides the poverty map by province, as of 2021.
8. **Nutrition.** In the latest Expanded National Nutrition Survey (2021)<sup>30</sup>, malnutrition indicators among children under-five years old (0-59 months) have all decreased: stunting rate was 26.7 percent from 33.4 percent in 2018, underweight rates were 12.3 percent from the 21.5 percent data in 2018, wasting also decreased from 7.1 percent to 5.5 percent in 2021, and overweight remained the same at 3.9 percent rate compared to 2018. Children in rural areas are more likely (30 percent) to be stunted than those in urban areas (26 percent)<sup>31</sup>. Philippines ranks 5<sup>th</sup> globally for stunting, the highest of any country in East Asia and the Pacific (EAP) region. In 2019, 38 percent of children between 6-11 months old; 26 percent of children between 12-23 months; and 20 percent of pregnant women were anaemic. In addition, nearly 17 percent of children aged 6-59 months suffered from vitamin A deficiency (2018).<sup>32</sup>
9. The intermediate causes of Filipino undernutrition in children are inadequate nutrient intake and ill health. Filipino children do not meet the nutritionally adequate food intake when breastfeeding and illnesses often weakens their immune response. Underlying determinants of undernutrition are inaccessibility to health services and diverse nutritious foods, unhealthy household environments, and inadequate maternal care and nutritional practices. There are areas in the country, especially marginalized areas, that have high exposure to unsafe drinking water and poor sanitation facilities that contribute to a child's stunting. Population pockets experience high levels of stunting, wasting, and being underweight, some exceeding 40 percent of the total population<sup>33</sup>. These pockets are mostly found in rural areas (30.4 percent), especially in areas with high poverty rates, than in urban areas (26.4 percent), particularly in the regions of

<sup>26</sup> NEDA Secretary Arsenio M. Balisacan. 9 August 2022. Statement of The National Economic and Development Authority on the Philippine Economic Performance for the Second Quarter Of 2022. Retrieved from: <https://neda.gov.ph/statement-of-neda-secretary-arsenio-m-balisacan-on-the-philippine-economic-performance-for-the-second-quarter-of-2022/>

<sup>27</sup> World Bank. 2021. Philippines Economic Update, June 2021: Navigating a Challenging Recovery. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/35690> License: CC BY 3.0 IGO

<sup>28</sup> Philippine Statistics Authority. 2021. Preliminary 2021 Full Year Poverty Statistics of the Philippines. Retrieved from: [https://psa.gov.ph/sites/default/files/Preliminary\\_per\\_cent202021\\_per\\_cent20Full\\_per\\_cent20Year\\_per\\_cent20Poverty\\_per\\_cent20Statistics\\_per\\_cent20Publication\\_25Aug2022\\_1.pdf](https://psa.gov.ph/sites/default/files/Preliminary_per_cent202021_per_cent20Full_per_cent20Year_per_cent20Poverty_per_cent20Statistics_per_cent20Publication_25Aug2022_1.pdf)

<sup>29</sup> *Op. cit.*

<sup>30</sup> Food and Nutrition Research Institute (FNRI)-Department of Science and Technology (DOST). 2021. Expanded National Nutrition Survey: 2021 Results Nutritional Status of Filipino Preschool Children. Retrieved from: <http://enutrition.fnri.dost.gov.ph/site/uploads/2021%20ENNS%20-%20National%20Results%20Dissemination.pdf>

<sup>31</sup> <http://enutrition.fnri.dost.gov.ph/site/uploads/2021%20ENNS%20-%20National%20Results%20Dissemination.pdf>

<sup>32</sup> [PH-Undernutrition-Report-Executive-Summary-2021.pdf \(worldbank.org\)](#)

<sup>33</sup> *Ibid.*

BARMM (45 percent), MIMAROPA (41 percent), Region V (40 percent), Region VI (40 percent), SOCCSKSARGEN (40 percent), Zamboanga Peninsula (38 percent), and Central Visayas (37 percent).<sup>34</sup> Attachment 2-3 provides the stunting map.

10. Six out of 100 individuals live below the food adequacy threshold, meaning that six (6) individuals do not meet the threshold that must satisfy their dietary needs.<sup>35</sup> Factors contributing the food insecurity include the low productivity of rice, yields are below the average of other Southeast Asian countries, and a failure to diversify into high-value-added crops for local consumption and export, and farmers inability to be integrated into value chains<sup>36</sup>. Food security and access to diverse food are some of the factors shaping the nutritional environment. About 23 percent of stunting cases of children under five in the Philippines are attributed to household's food insecurity and lack of access, availability, and use of diverse food<sup>37</sup>.
11. **Women.** According to the Global Gender Gap report (2023), the Philippines is ranked 16<sup>th</sup> (79.1 percent) globally and New Zealand, the Philippines, and Australia have the highest parity among the EAP region, for closing the gender gap<sup>38</sup>, however the country still lags socio-culturally.<sup>39</sup> 1 out of 4 women experience gender-based violence with 41 percent unreported. Labor force participation of women in 2022 remained lower at 55.9 percent compared to 76.2 percent for men<sup>40</sup>. Similarly, the employment rate, men were higher at 95 percent and women at 94.2 percent<sup>41</sup>. From the latest Labor Force Survey, women's reason for not entering the labor force were because of their status as students studying, housewives with household duties, disability, and retired<sup>42</sup>. Filipino women are usually in low skill positions that pay less due to economic need, some even in non-paying work like managing family-owned businesses and domestic work which can hinder opportunities for paid employment. The wage gap between men and women in low skills positions is high, with men earning 50 percent more than women. The gender norm of men's primary role of being a breadwinner and women with caring for the family and home has contributed to the increased number of cases of economic abuse in violence against women cases and high tolerance and acceptance of wife beatings.
12. Women within the agriculture sector, have a median age of 52 years old, and are considered as disadvantaged producers having less land, living in remote locations, practicing subsistence agriculture, operating in mixed integrated farming systems that are not focused on main staples, and less access to extension services by national

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<sup>34</sup> Mbuya, Nkosinathi V.N.; Demombynes, Gabriel; Piza, Sharon Faye A.; Adona, Ann Jillian V.. 2021. Undernutrition in the Philippines: Scale, Scope, and Opportunities for Nutrition Policy and Programming. International Development in Focus; Washington, DC: World Bank. © World Bank. <https://openknowledge.worldbank.org/handle/10986/35530> License: CC BY 3.0 IGO

<sup>35</sup> National Institute of Health. <https://www.ncbi.nlm.nih.gov>

<sup>36</sup> World Bank. 2020. Transforming Philippine Agriculture: During COVID-19 and Beyond. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/34012> License: CC BY 3.0 IGO

<sup>37</sup> Mbuya, Nkosinathi V.N.; Demombynes, Gabriel; Piza, Sharon Faye A.; Adona, Ann Jillian V. 2021. Undernutrition in the Philippines: Scale, Scope, and Opportunities for Nutrition Policy and Programming. International Development in Focus. Washington, DC: World Bank. © World Bank. <https://openknowledge.worldbank.org/handle/10986/35530> License: CC BY 3.0 IGO

<sup>38</sup> Buchhave, H. & Belghith, N. 11 April 2022. Overcoming barriers to women's work in the Philippines. Retrieved from: <https://blogs.worldbank.org/eastasiapacific/overcoming-barriers-womens-work-philippines>

<sup>39</sup> Valdez, I. K. M., Arevalo, M. V. P. N., Robredo, J. P. G., Gacad, S. L. S., Villaceran, M. A. J., Libang, G. R., ... & Eala, M. A. B. (2022). Violence against women in the Philippines: barriers to seeking support. *The Lancet Regional Health—Western Pacific*, 23.

<sup>40</sup> Philippine Statistics Authority. 6 October 2022. Employment Rate in August 2022 is Estimated at 94.7 per cent. Retrieved from: <https://psa.gov.ph/content/employment-rate-august-2022-estimated-947-per-cent>

<sup>41</sup> *Ibid.*

<sup>42</sup> Employment Situation in July 2021. <https://psa.gov.ph/content/employment-situation-july-2021>



agencies<sup>43</sup> Based on a 2018 cacao value chain survey,<sup>44</sup> 55 percent of the work required is done by males and 45 percent by females with male household heads generally make decisions regarding market channels for the beans, responsible for transporting the beans to market. The distribution of the sale of cacao beans is unknown and women's contributions across the different nodes of the cacao value chain are oftentimes viewed as an extension to household chores. Household chores are reproductive activities that include the preparation of nutritious food made accessible<sup>45</sup> to everyone in the household.

13. **Youth.** About 31 million young people between the age of 15-30 years old account for 30 percent of the Philippine population. Most of the youth population are concentrated in Region IV-A, followed by NCR and Region III<sup>46</sup>. The least concentration of youth population is in CAR, Region XIII, and Region IV-B<sup>47</sup>. The Philippines sees the youth as the most valuable resource of the country and hence implementing Republic Act (RA) 8044 or the Youth in Nation Building Act that inaugurated the National Youth Commission and the National Comprehensive and Coordinated Program on Youth Development.
14. There are 7.39 million youth that are in the labor force, 6.45 million of which are employed and are working an average of 37.8 hours per week. There are 12.9 million youth that are not in the labor force and 947,000 unemployed for 15.7 percent youth unemployment rate. Since 2020, the proportion of youth Not in Employment, Education, or Training (NEET) have decreased from 20.4 percent to 13.9 percent in 2021. The reasons why the youth are not attending schools in 2021 are employment (22.2 percent), marriage (15 percent), finished schooling (14.6 percent), high cost of education (11.9 percent), and the COVID-19 pandemic (9.6 percent). Poverty incidence among the youth is prevalent in BARMM (58.9 percent) and Region IX (31.4 percent). Overall, 14.7 percent of Filipino youth belong to poor families, 4.4 percent of which are food poor families.
15. Studies have shown that the average age of farmers in the Philippines is 57 years old. Within the agricultural sector, there is an increasing lack of interest amongst young people due to stereotyping when it comes to "working on the land". They do not see a bright future in agriculture and rather seek to pursue the city life and what it has to offer.<sup>48</sup>
16. **Indigenous Peoples (IPs).** To date, NCIP has identified 948 IP communities living in around 13 million hectares of land, 27 percent of which have land titles<sup>49</sup> (Attachment 2-4 provides the IP-CADT map.). Based on the 2020 Census of Population, among the 108.67 million household population, 93.09 million or 85.7 percent were classified as non-Indigenous Peoples (non-IPs). Out of the remaining 15.56 million household population, 8.21 million or 7.6 percent were IPs identified by National Commission on Indigenous People (NCIP).<sup>50</sup> Further, as of October 2021, NCIP has

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<sup>43</sup> *Op. cit.*

<sup>44</sup> M. A. Lopez, et al. (2018) Implications of Gender Attribution for the Cacao Value Chain of Davao City, Southern Philippines. Center for the Advancement of Research, Development, and Engagement in Mindanao, University of the Philippines Mindanao, Mintal, Tugbok District, Davao City 8022, Philippines. 437-Article Text-614-1-10-20191203.pdf

<sup>45</sup> Nutrition- Sensitive Programming in the Philippines: Concepts and Ideas for Action. (2019). International Institute of Rural reconstruction.

<sup>46</sup> National Youth Commission. 2021. 2021 Youth Statistics Update. Retrieved from: <https://nyc.gov.ph/2021-youth-statistics-update/>

<sup>47</sup> *Ibid.*

<sup>48</sup> <https://projectconverge.ph/2020/06/10/flipping-the-page-a-youths-insight-on-agriculture/>

<sup>49</sup> <https://www.pna.gov.ph/articles/1158104>

<sup>50</sup> <https://psa.gov.ph/population-and-housing/node/177050>

identified 948 IP communities living in around 13 million hectares of land, 27 percent of which have land titles<sup>51</sup> (Attachment 2-4 provides the IP-CADT map).

17. The Philippines is the only country in Asia to have a comprehensive system that protects the rights of IPs/ Indigenous Cultural Communities (ICCs) as manifested in RA 8371 or IPRA of 1997<sup>52</sup>. According to IPRA, IPs/ICCs refer to “group of people or homogenous societies identified by self-ascription and ascription by others, who have continuously lived as organized community on communally bounded and defined territory, and who have, under claims of ownership since time immemorial, occupied, possessed and utilized such territories, sharing common bonds of language, customs, traditions and other distinctive cultural traits, or who have, through resistance to political, social and cultural inroads of colonization, non-indigenous religions and cultures, become historically differentiated from the majority of Filipinos” (p.3)<sup>53</sup>. The rights being protected by IPRA is the right to territorial domain, self-determination and right to practice their customary laws, cultural integrity and property, and free prior and informed consent (FPIC). The National Commission on Indigenous Peoples (NCIP) is the national agency responsible for the implementation of policies, plans, and programs to recognize, protect, and promote the rights of IPs/ICCS.
18. The Certification Precondition or Free and Prior Informed Consent (CP/FPIC) is a safeguard system for the protection of IPs in development interventions within their ancestral domains. This process ensures that the concerned IP community are consulted and discuss proposed development activities among themselves without any external influences.
19. The challenges faced by most IPs in the Philippines are deprivation of rights and opportunities to develop their capacities to cope with the changing social, economic, and political environment<sup>54</sup>. ICCs face discrimination, degradation of natural resources, land grabbing, development aggression, and armed conflict thus their sense of ownership for their lands is decreased or overlooked<sup>55</sup>. IPs that reside in their ancestral domains are usually in geographically isolated areas, have generally high cases of unemployment, underemployment and illiteracy because of the lack of access to basic social services, and few opportunities for economic, educational, and political participation<sup>56</sup>. These indigenous people are mostly living below poverty and food thresholds due to the lack of income, livelihood, and access to basic education, inaccessibility to health and nutrition, housing, and safe drinking water and sanitation<sup>57</sup>. More recently, House Bill 7477 (State Managed Farming Law of the Philippines) will require due diligence as currently being processed by Congress.<sup>58</sup>
20. **Cultural Heritage.** The Philippines has a total of 6 world heritages recognized by the United Nations Educational, Scientific and Cultural Organization (UNESCO), 3 of which are cultural and 3 under natural heritage classification. The three cultural heritages are

<sup>51</sup> <https://www.pna.gov.ph/articles/1158104>

<sup>52</sup> Molintas, J. M. (2004). The Philippine indigenous peoples' struggle for land and life: challenging legal texts. *Ariz. J. Int'l & Comp. L.*, 21, 269.

<sup>53</sup> <https://ncip.gov.ph/republic-act-8371/> <https://ncip.gov.ph/republic-act-8371/>

<sup>54</sup> International Labour Organization. N.d. ILO in Indigenous and Tribal Peoples in the Philippines. Retrieved from: [https://www.ilo.org/manila/areasofwork/WCMS\\_402361/lang--en/index.htm](https://www.ilo.org/manila/areasofwork/WCMS_402361/lang--en/index.htm)

<sup>55</sup> *Ibid.*

<sup>56</sup> *Op. cit.*

<sup>57</sup> Onsay, E.A. (2022). Poverty Profile and Health Dynamics of Indigenous People. *International Review of Social Sciences Research*, Volume 2 Issue 1, pp. 1- 27. DOI: <https://doi.org/10.53378/352876>

<sup>58</sup> The proposed bill stipulates for Government to possess, utilize, control and manage for agricultural business, the ancestral domains and lands through lease from IP residents of the subject land as represented by the NCIP subject to approval of at least ¾ of all members of the NCIP and the 2/3 approval vote by ballot of all the IPs of legal age who are actual residents of the subject land for at least 1 year before the vote to process, as supervised by the DILG. The yearly lease income shall be shared by the NCIP and the IP residents at 10 per cent as management fee for NCIP and 90 per cent by the IP residents. The business income is owned by the Lessee government unit.

the following: a.) four Baroque Churches found in Manila, Bulacan, Ilocos Norte, and Iloilo; b.) The City of Vigan in Ilocos Sur, and c.) Rice Terraces in Ifugao. The three natural heritages are Mount Hamiguitan Range Wildlife Sanctuary in Eastern Mindanao Biodiversity Corridor, Puerto-Princesa Subterranean River National Park in Palawan, and Tubbataha Reef Marine Park in the Sulu Sea.

21. **Financial Inclusion.** According to the Bangko Sentral ng Pilipinas (BSP)<sup>59</sup>, 7 out of 10 Filipinos are financially excluded or do not have accounts to store, send, and receive funds. Of these financially excluded Filipinos, many are unemployed, in the low-income classes, less educated, underserved sectors (senior citizens and migrant workers), people with disabilities, IPs, forcibly displaced peoples, and the young population. Financial exclusion has also been observed to be prevalent in the agriculture, MSME, startup sectors, and informal workers. The relatively high poverty incidence in the agricultural and fisheries sectors indicates that these sectors continuously face difficulty accessing and using financial products and services due to the lack of documents to open personal or business accounts, high costs in opening or maintaining accounts, lack of financial data to permit them to access formal credit, and limited awareness and knowledge about existing financial products and services<sup>60</sup>. Females are financially included compared to men based on the following indicators: account ownership, savings, credit, insurance, remittance, and making payments.
22. Challenges in the country's financial inclusion are the following: limited access to financial products and services especially for low-income households and less educated individuals, low levels of financial literacy, inefficient government financial cash support, and increased cases of fraud and scams<sup>61</sup>. The National Capital Region (NCR), Region IV-A (CALABARZON), and Region III (Central Luzon) are regions with the highest population and income thus there are also a number of financial institutions in the area. Low population and regional output regions, Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), Cordillera Administrative Region (CAR), and Region IX (Zamboanga Peninsula) have sparse financial institutions available. Regions with high poverty incidences, mostly rural areas dominated by farming and fishing communities, is a manifestation that these areas lack economic activity due to security concerns, vulnerability to disasters, and lack of access to financial institutions.
23. **Environment and Climate.** In 2015, land use in the Philippines was comprised of agriculture (12.9 million ha or 42.9 percent of all land), forest lands (7.01 million ha or 23.7 percent), brush/shrublands (6.03 million ha or 20.4 percent), and wetlands inclusive of fishponds and inland waters (746.96 thousand ha or 2.5 percent).<sup>62</sup>
24. A large variety of ecosystems, landscapes and habitats can be found in the country. These ecosystems are interconnected in terms of their functional relationships; hence the ridge-to-reef approach was conceived (UNDP-GEF 2015; CBD). For instance, a watershed with adequate forest cover provides water that supports lowland agriculture, prevents soil erosion and siltation of coasts and water bodies, and sustains the supply of surface and groundwater for domestic use. Major ecosystems and water resources<sup>63</sup> are described in attachment 4.
25. **Biodiversity.** The Philippines is one of 18 mega-biodiverse countries globally, that contains two-thirds of the earth's biodiversity and between 70 percent and 80 percent of the world's plant and animal species (700 of them threatened<sup>64</sup>). It ranks fifth in the number of plant species and maintains 5 percent of the world's

<sup>59</sup> Bangko Sentral ng Pilipinas. 2022. National Strategy for Financial Inclusion 2022-2028. Retrieved from: <https://www.bsp.gov.ph/Pages/InclusiveFinance/NSFI-2022-2028.pdf>

<sup>60</sup> *Ibid.*

<sup>61</sup> *Ibid.*

<sup>62</sup> PSA 2022. Compendium on Phil. Environment Statistics 2010-2019

<sup>63</sup> National Water Quality Status Report 2001-2005. EMB-DENR

<sup>64</sup> <https://www.cbd.int/countries/profile/?country=ph>

flora. The country exhibits high species endemism with at least 25 genera of plants and 49 percent of terrestrial wildlife. It ranks fourth in bird endemism. In 2018, the Expanded Integrated Protected Areas System (NIPAS) Act covered 94 protected areas (PAs). 107 PAs cover a total of 1.85 million ha of terrestrial area and 1.49 million ha of marine area.<sup>65</sup> Out of the 101 terrestrial Key Biodiversity Areas of the Philippines, approximately 96 are part of the ancestral land and/or domains of IPs.<sup>66</sup>

26. The Philippines is part of the center of diversity of rice, coconut, mung bean, taro and yam, as well as the center of origin and diversity of banana in Southeast Asia. BMB DENR records show that 14 populations of wild species of rice were collected from 1996 to 2000. Around 3,000 plants are utilized for food, feed, shelter, fiber, fuel, medicine, ornamentals, and ornaments. A vast number of plants are of significant cultural value to local communities as these relate to religion, folklore, rituals, and the arts. The Philippine Bureau of Agricultural Statistics has classified asparagus, broccoli, carrots, cauliflower, ginger, gourd, common (field) bean, lettuce, okra, Chinese cabbage and pak choi as minor or neglected underutilized species (NUS).<sup>67</sup> Conservation strategies include *ex-situ* (cold storage, field genebanks, *in vitro*, pollen storage, DNA storage, and ultra-drying) and *in-situ* (on-farm and home garden). Agricultural biodiversity is declining, parallel to land area devoted to agriculture. Per BMB-DENR records, the occurrence of species invasions threatens agricultural biodiversity and has been reported in protected areas, wetlands, and agricultural areas, as well as, in production and protection forests. Many of the past and present introductions are intended for food production, reforestation, horticulture, and recreation.
27. **Climate.** The Philippines has an average annual rainfall of 2,348 millimeters (mm) but varies geographically from 960 mm in southeast Mindanao to over 4,050 mm in central Luzon. During June to September heavy rainfall is concentrated to the west of the country. Between October and March, heavy rainfall is found in the eastern regions. Rainfall is governed by the southwest monsoons in the summer and by the northeast monsoon and tropical cyclones in the cold season. The Philippines experiences strong periodic droughts that are linked to the El Niño Southern Oscillation (ENSO).<sup>68</sup>
28. Temperatures are generally high especially in the valleys and plains averaging 27°C year-round with low seasonal temperature variation of approximately 3°C. Humidity levels are high, averaging 82 percent due to the warm moist trade winds as well as sea surface temperatures. The hottest months are April and May. The coldest months are in December, January and February. Elevation is a significant factor in temperature variation.
29. **Trends and projections.**<sup>69</sup> The new set of climate projections for the Philippines were based on two of the most recent scenarios from the IPCC: RCP4.5 (moderate level of GHG emissions) and RCPB.5 (high level of GHG emissions) applying the Climate Information Risk Analysis Matrix (CLIRAM) tool. It provides projected changes in climate variables in both the mid-21st century (2036- 2065) and the late-21st century (2070-2099) based on the 1971-2000 baseline period.
30. The annual mean temperature in the Philippines has risen by 0.68°C (1951-2015), an average rate of increase by about 0.1°C/decade. Annual maximum temperature increased at a slower rate of approximately 0.05°C/decade while annual minimum temperature increased more rapidly at 0.15°C/decade. The annual mean surface air temperature in the Philippines is expected to increase from 0.9°C to 1.9°C for the moderate emission scenario (RCP4.5) and from 1.2°C to 2.3°C for the high

<sup>65</sup> [Protected Areas in the Philippines and its Conservation Efforts – Save Our Spots](#)

<sup>66</sup> [CBD Strategy and Action Plan - Philippines \(English version\)](#)

<sup>67</sup> [Fighting poverty, hunger and malnutrition with neglected and underutilized species \(NUS\) \(cgiar.org\)](#)

<sup>68</sup> Climate Risk Country Profile: Philippines (2021): The World Bank Group and the Asian Development Bank.

<sup>69</sup> PAGASA, 2018. Observed Climate Trends and Projected Climate Change in the Philippines. Philippines Atmospheric Geophysical and Astronomical Services Administration, Quezon City, Philippines, 36 pp.

emission scenario (RCP 8.5) in the mid-21st century (2036-2065), and from 1.3°C to 2.5°C (RCP4.5) to as warm as 2.5°C to 4.1°C (RCP8.5) by the end of 21st century (2070-2099). Most areas in the country have experienced air temperatures exceeding 26°C, while slightly cooler areas are found in mountainous regions. These temperatures are projected to increase uniformly and minimally across the country in both the mid 21<sup>st</sup> century and the late 21<sup>st</sup> century.

31. *Rainfall.* Changes in rainfall over the Philippines vary spatially and are highly seasonal. From 1951 to 2010, the annual total rainfall over northern sections of Luzon, Palawan, western sections of Visayas, and central and western sections of Mindanao have declined. Increasing trends associated with extreme rainfall events have been observed notably in the central parts of Luzon, eastern section of Visayas, and the northeastern and southwestern sections of Mindanao at a rate ranging from 10mm/decade to a rate exceeding 40mm/decade.
32. Trends in seasonal total rainfall is increasing, particularly in northeastern Mindanao and eastern portions of Visayas in December-January-February coinciding to the northeast monsoon season increasing the risk of flooding. Increasing trends in rainfall are seen over central Luzon and northeastern Mindanao in March-April-May season. In June-August and September-November, similar patterns of increasing rainfall trends are observed over the southern parts of Ilocos Region, northeastern parts of Ilocos Region, and northeastern and southern parts of Mindanao; while decreasing trends are apparent in most of the country. A noticeable drying trend is observed over the northeastern portion of Luzon, and in central and northwestern sections of Mindanao in almost all seasons. The driest possible rainfall change could reach beyond 40 percent reduction in many areas, particularly over Mindanao by the mid-21st century. The wettest possible change could exceed a 40 percent increase in rainfall, particularly over Luzon, western sections of Visayas, and some parts of Mindanao. The multi-model central estimate future rainfall conditions will be well within its natural variability except for the drier future over central sections of Mindanao, particularly in September-October-November and the December- January-February seasons.
33. *Sea level rise.* Based on satellite observations (AVISO altimetry data) taken from 1993 to 2015, the sea level has risen by 5.7-7.0 mm/yr over the Philippine Sea, approximately double the highest global average rate of 2.8-3.6 mm/yr, observed between 1993 to 2010.<sup>70</sup> A rate of sea level rise of 4.5-5.0 mm/yr is observed east of the islands of Leyte and Samar, and along the south western coasts of the Central and Western Visayas, and east of Mindanao and south of Zamboanga. Tide gauge observations from NAMRIA indicate that a rapid increase in sea level was observed in Manila, particularly from 1955 to 2015 – though attributed to long-term land subsidence from excessive groundwater extraction. Gradual increases in sea level were observed in Legazpi and Davao, while no apparent trend was observed in Cebu and Jolo, Sulu. Sea level rise will continue to be slightly larger than the global average. In both the moderate (RCP4.5) and high (RCPB.5) emission scenarios, the increase is expected to be almost the same by the mid-21st century. Worsening storm surge hazards particularly on coastal communities.
34. Climate Hazards and Vulnerability. The Philippines is considered to be among the world's most disaster-prone countries. The country is especially exposed to tropical cyclones ranking 2<sup>nd</sup> highest in terms of risk. Flooding is also a considerable risk (ranked 29<sup>th</sup>). National Disaster Coordinating Council of the Philippines reported that the country's vulnerability to natural hazards cost the government an average of US\$338 million annually in direct damages or more than 0.5 percent of GDP. The severity of hazards is expected to increase. Attachment 5 contains a list of hazards.

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<sup>70</sup> This difference could be attributed to the occurrence of natural climate-related phenomena, e.g. El Nino Southern Oscillation (ENSO), which directly affects the tropical Pacific region.

35. **Key Challenges.** Threats to biodiversity vary per ecosystem. Main threats to forests are commercial exploitation, population growth, and introduction of invasive alien species. In agroecosystems, habitat destruction through conversion of agricultural land to other uses, negative impacts of biotechnology, natural calamities or extreme weather events, introduction of invasive alien species, pests and diseases, intrinsic institutional complications of government agencies responsible for conserving agrobiodiversity, the indirect result of the increased demand for food, land and other agro-based resources, preference for economic growth through intensive agriculture, export-oriented policies and the promotion of extractive industries, such as mining, that pose adverse impacts to the environment, and lifestyle change of farmers due to misguided exposure to technological advancements. Key threats to inland water biodiversity and marine and coastal environments, are chemical pollution and eutrophication, fisheries operations, habitat alteration, invasion of alien species and global climate change. The impacts of Climate changes are likely to be numerous in the Philippines impacting, food security, water sufficiency and ecological and environmental stability. Further details on these areas of impact are available in Attachment 7.
36. The Philippine Development Plan 2023-2028 acknowledged that studies from PAGASA and the IPCC have shown that current and future shifts in temperature and rainfall regimes will have significant impacts, mostly adverse on agriculture, forestry, water and coastal resources, health, and urban areas. These have serious implications on food and water security, energy sufficiency, human security, and ecological and environmental stability. The Philippines' Nationally Determined Contributions (NDCs) under the Paris Agreement primarily focus on reducing greenhouse gas emissions, increasing climate resilience, and pursuing sustainable development. Key priorities include a 75% emissions reduction target by 2030, with a significant emphasis on the energy, transport, and forestry sectors. Additionally, the country aims to enhance its adaptive capacity and foster climate-resilient communities through integrated planning and risk management strategies. Further, the NCCAP underscores that ecosystems inherent capacity to resist and adapt to adverse impacts is under tremendous pressure due to climate change coupled with destructive human activities. When the outer limits of ecosystems are challenged, may irreversibly transform ecosystems that may not be socially and ecologically acceptable.

### 3. Legal and Institutional Framework

37. **Country System and IFAD-SECAP 2021.** Attachment 4 (Philippine Laws and SECAP 2021) provides the list of Philippine laws indicating equivalence with the requirements of SECAP Environmental Standards 1-9. SECAP standards cover the conduct of environmental and social assessment, development of and monitoring environmental and social management plans, institutionalization of grievance redress mechanisms, consultations/ stakeholder engagement, free and prior informed consent (FPIC) towards engaging with indigenous peoples and other vulnerable sectors, and economic and physical displacement.
38. **Commitments to Global Efforts on SDGs.** The country Nationally Determined Contribution Communicated to the UNFCCC on 15 April 2021 can be summed as below:

The Philippines commits to a projected GHG emissions reduction and avoidance of 75 percent, of which 2.71 percent is unconditional<sup>71</sup> and 72.29 percent is conditional,<sup>72</sup> representing the country's ambition for GHG mitigation for the period 2020 to 2030 for

<sup>71</sup> Unconditional refers to policies and measures which can be undertaken using nationally mobilized resources.

<sup>72</sup> Conditional refers to policies and measures which require support or the means of implementation under the Paris Agreement.



the sectors of agriculture, wastes, industry, transport, and energy.<sup>73</sup> This commitment is referenced against a projected business-as-usual cumulative economy-wide emission of 3,340.3 MtCO<sub>2</sub>e<sup>74</sup> for the same period.

The country's climate change mitigation actions shall strengthen the resilience and adaptive capacity of the country, including through enhanced access to climate finance, technology development and transfer, and capacity building, especially on the implementation of the policies and measures on and the uptake of circular economy and sustainable consumption and production practices.

The implementation of the mitigation commitments shall be undertaken through bilateral, regional and multilateral cooperation. In addition, the benefits of market and non-market mechanisms under Article 6 of the Paris Agreement shall continue to be explored, consistent with national circumstances and sustainable development aspirations.

39. Its National Climate Change Action Plan 2022-2028 emphasizes adaptation measures for agriculture, forestry, coastal and marine ecosystems and biodiversity, among others. The strategic actions for food security, one of the eight thematic areas, proposes a number of actions such as site-specific knowledge on climate vulnerability, research and dissemination of knowledge / technologies on climate change adaptation, integrating and harmonizing climate change adaptation and Disaster Risk Response in national and local policies and plans, building capacity of communities on adaptation and DRR, and implementing risk transfer and social protection mechanisms for agriculture and fishery.

40. With respect to commitments to Global Sustainable Development Goals (SDG), the scorecard for the Philippines can be summarized as below (See Attachment 5. Global SDG Commitments and Status for details). Effort has been exerted by Government to realize its SDG commitments, but to date, only one indicator under the Gender commitment (on ratio of female-to-male mean years of education received) has been achieved.

SDG Commitment	Status
<b>Eradicate extreme poverty and hunger</b>	There was a decrease in the incidences of poverty from 2006 to 2015 but has increased since then. According to the dashboards, achieving Goal 1: No Poverty is moderately improving but major challenges still remain. One major and continuing national program of the national government that is contributing to poverty eradication is the conditional cash transfer scheme known as the Pantawid Pamilyang Pilipino Program (4Ps) <sup>75</sup> .
<b>Zero hunger</b>	Achieving Goal 2: Zero Hunger, is moderately improving. Indicators that still remain as challenges are undernourishment and wasting among the youth and exports of hazardous pesticides. Indicators that has already been achieved and are being maintained are prevalence of obesity (BMI > 30), human trophic level, and cereal yield while stunting and sustainable nitrogen management are major challenges and are not improving. There are 29 policy studies have been commenced to fight hunger including nutrition intervention, agricultural finance, and agricultural infrastructures.

<sup>73</sup> Greenhouse gases covered are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), perfluorocarbons (PFCs) and hydrofluorocarbons (HFCs).

<sup>74</sup> Million metric tons of carbon dioxide equivalent

<sup>75</sup> Roldan, M. D. G. Z. (2018). Towards Attaining the Sustainable Development Goals: The Philippines and the 2030 Agenda. In *DLSU Research Congress 2018*.

<b>SDG Commitment</b>	<b>Status</b>
<b>Good health and well-being</b>	Most of the index in SDG 3 still remain with stagnating and slow improvements, however goals for the 'New HIV infections' and 'Subjective well-being' are already achieved and are for maintenance. In the recent years, providing infants and their mothers specific healthcare have been a success but challenges in addressing health issues like immunization, terminal diseases, use of tobacco, and harmful use of alcohol <sup>76</sup> .
<b>Gender equality</b>	Currently, the indicator of ration of female-to-male mean years of education received is the only indicator that has been achieved. The demand for family planning satisfied by modern methods is a major challenge that is not improving. Given the country's cultural norms, gender issues still persist with early marriage resulting to an increase in teenage pregnancy is among the youth as a prevalent concern <sup>77</sup> .
<b>Responsible consumption and production</b>	For SDG 12, all indicators have significantly improved and has reached its goals. Indicators addressed include municipal solid wastes, electronic wastes, production-based SO2 emissions, SO2 emissions embodied in imports, production-based nitrogen emissions, nitrogen emissions embodied in imports, and exports of plastic waste. With the various policies for reducing pollution and mitigating its harmful effects, the Philippines has achieved its goals in 2030 and just need to maintain and perform better.
<b>Life below water</b>	Marine conservation is one of the Philippines strengths with 220 million hectares of protected marine areas. 4 out of 6 indicators in the SDG dashboard has already been achieved, these being fish caught by trawling or dredging, fish caught that are then discarded, marine biodiversity threats embodied in imports, and fish caught from overexploited or collapsed stocks. The main challenges that remain are mean area that is protected in marine sites important to biodiversity and Ocean Health Index: Clean Waters score.
<b>Life on land</b>	Protection of the country's forests and terrestrial sites are still a challenge given that there has been stagnant progress in achieving indicators on protected terrestrial and freshwater sites, permanent deforestation, and specifically the Red List Index of species survival. There are efforts in rehabilitating the forests through forest recovery programs, solid waste reduction initiatives, and protection of ancestral domains.
<b>Climate Action</b>	The country is employing its full national political strength to address the problem of climate change. The NDC is based on and informed by national laws, as well as domestic legal, financial, and policy frameworks, with the accompanying instruments and institutional arrangements on adaptation and mitigation, foremost of which is Republic Act No. 9729, otherwise known as the Climate Change Act of 2009, as amended by Republic Act No. 10174, and its requisite policy instruments, the National Framework Strategy on Climate Change 2010-2022 and the National Climate Change Action Plan 2011-2028.

<sup>76</sup> Reyes, C. M., Albert, J. R. G., Tabuga, A. D., Arboneda, A. A., Vizmanos, J. F. V., & Cabaero, C. C. (2019). The Philippines' voluntary national review on the sustainable development goals.

<sup>77</sup> *Ibid.*



**41. Programs and Partners.** The IFAD investment portfolio for the 2017-2022 cycle include (See Attachment 2 SECAP Reference Maps on IFAD Portfolio):

<b>Project - Focus</b>	<b>Dates</b>	<b>Executing Agency</b>
CHARMP2 – Upland VCD in the Cordilleras	2008-2021	DA
INREMP – Forestry-based VCD in several provinces	2013-2021	DENR and NIA
ConVERGE – VCD in Agrarian Reform Communities	2015-2022	DAR
FishCORAL – Coastal resource protection and VCD	2015-2021	DA-BFAR
RAPID – Sustainable, market-based VCD	2018-2025	DTI

42. Of the above, two are still ongoing, transitioning to the COSOP 2023-2026 cycle:

- (i) RAPID adopts an iterative and demonstrative approach, promoting successful business models associating farmers and micro, small and medium agribusiness in four priority value chains selected by the Department of Trade and Industry (DTI) i.e. cacao, coffee, coconut, and processed fruits and nuts. The project covers six regions (Regions 8 to 12, Caraga and BARMM) and twenty provinces, directly targeting commercialized small holder farmers and micro-entrepreneurs within selected commodity value chains. It indirectly targeted unemployed and underemployed rural women and men who can be employed by participating enterprises. Within these groups, special focus was placed on (i) women, either farmers or women entrepreneurs; (ii) youth (men and women); and (iii) indigenous people; and
- (ii) CONVERGE was designed to help improve the productivity and income of agrarian reform beneficiaries (ARB) in 11 ARC clusters in Regions 9, 10, and Caraga, these regions being among the six poorest regions of the country. Selection criteria for the ARC clusters included a potential for further agricultural and agribusiness development, availability of markets, availability of an ARC Cluster Development Plan, commitment of the participating ARBs and availability of support services. Target group selection was extended to households in non-ARC barangays and Indigenous People's (IP) households of whom 30 percent are women headed households.

43. Attachment 6. Existing Donor ENRM and CC Initiatives provides a list of existing environment and natural resources management (ENRM) and climate change undertakings of various donor institutions including IFAD partnerships. There evidently is harmonized initiatives among donors to assist the government to realize its commitments to the global climate and ENRM (includes biodiversity) concerns with thematic interests to combat poverty amongst smallholder farmers and the vulnerable sectors of the Philippines.

#### **4. Strategic Recommendations**

**44. Lessons learned from previous COSOP 2017-2022.** The lending portfolio covered by COSOP 2017-2022 include (see Attachment 7. Country Programme Project Areas):

- i) Second Cordillera Highland Agricultural Resource Management Project (CHARMP2), supporting commercialization of smallholder agriculture in indigenous communities of the Cordillera Administrative Region (CAR) under DA
- ii) Convergence on Value Chain Enhancement for Rural Growth and Empowerment Project (ConVERGE), upgrading agricultural value chains in agrarian reform communities in Mindanao under DAR
- iii) Fisheries, Coastal Resources and Livelihood Project (FishCORAL), supporting coastal fishery ecosystems and productivity in Luzon, the Visayas and Mindanao under BFAR

- iv) Integrated Natural Resources and Environmental Management Project (INREMP), which aimed to reverse environmental degradation and improve smallholder incomes across key watersheds under DENR, and
  - v) Rural Agro-Industrial Partnership for Inclusive Development and Growth (RAPID) targeting sustainable income increases across value chains under DTI
45. The IFAD COSOP 2017-2022 was subject to a review in early 2022 and lessons learned were documented with participation of a wide array of stakeholders. Five key lessons were identified:
- The value chain approach is effective in strengthening competitiveness and inclusion, and when adaptable to context can also be effective to increase the resilience of fragile ecosystems
  - Strategic and active partnerships are key for a successful value chain development country programme
  - Support to consolidation and clustering of rural peoples' provides multiple economic benefits
  - Embedding participatory planning and monitoring processes underpin successful planning and implementation.
  - Non-lending activities, if strategically integrated, are a powerful tool for engagement and ownership.
46. In RAPID implementations, the SECAP 2021 standards find equivalence with country legal systems. The problem is at implementation. The below are forwarded:
- The timing for screening and application for FPIC should be part of the pre-implementation phase (effectiveness preparations) during IA subproject selection to give time for institutional processing of FPIC/CP within NCIP as well as MIPA-BARMM;
  - IFAD to apply CHARMP efforts to apply for blanket (regional) FPIC/CP issuances, especially now that NCIP has reverted to national processing (unlike CHARMP time when it was regional processing). Ensuing subprojects may just then apply the IPRA FPIC/CP validation process that while it still takes time, it lessens the duration especially for community-initiated projects; and
  - With the advent of SECAP 2021, harmonize the Philippine EIA System into the SECAP ESCMF/P, ensure stakeholder engagement and GRM are processed thoroughly and meaningfully, and that SECAP orientation and capacity-building towards all compliance documents are in place at the start of implementation for IAs.
47. Projects have been true to IFAD's mandate<sup>78</sup> to address poverty not just as a condition of low income, but with due consideration to vulnerability, exclusion, and powerlessness.
48. **Strategic Orientation, Actions and Targeting.** The COSOP 2023-2028 goal is **"Poor and vulnerable rural populations achieve reduced rural poverty, strengthened livelihoods, and improved food security and resilience."** The COSOP has two Strategic Objectives (SOs): Strategic Objective 1: Enhance the resilience of small producers to economic and climate shocks and protect and rehabilitate the fragile eco-systems of the country. Strategic Objective 2: Promote inclusive, resilient, and sustainable agricultural value chains to increase productivity, employment opportunities, and incomes for poor rural communities.
49. The sustainability of COSOP 2023-2028 goals and SOs may be enhanced through key SECAP and mainstreaming principles and priorities set out by relevant offices of the Government of the Philippines and key stakeholders. IFAD's mainstreaming priority themes (youth, gender, environment and climate change, and nutrition) and cross-

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<sup>78</sup> IFAD. Targeting: Reaching the Rural Poor Policy. 2006

cutting themes of indigenous peoples, people with disabilities and biodiversity are woven into the SECAP 2021 that seeks to assess and manage risks anchored upon the nine ES, among which are Biodiversity conservation (ES1) and Climate change (ES9). This SECAP study likewise upholds the stipulations in the Revised Operational Guidelines on Targeting Main text (2019) to assess potential target groups by generating the necessary information on their (i) socio-economic status and livelihood profiles; (ii) food and nutrition insecurity; (iii) environmental degradation and climate vulnerability; (iv) vulnerability coping mechanisms; and (v) agricultural and income-generating activity potential. The below Box reiterates and summarizes the situational analysis with information and priorities provided by relevant government offices and key stakeholders.

50. Key priorities of Government as espoused in the Updated PDP 2023-2028 uphold the findings of the IPCC and PAGASA and the IPCC where climate change shifts will have significant impacts, mostly adverse, on agriculture, forestry, water and coastal resources, health, and urban areas. These will, in turn, have serious ramifications on food and water security, energy sufficiency, human security, and ecological and environmental stability. Efforts to defeat poverty and promote social justice will be challenging to sustain unless measures are undertaken to help the poor and highly vulnerable communities adapt to climate change.

51. **IFAD proposed projects.** IFAD aims to take an innovative approach to its projects over the next six years to strengthen attention on environmental protection and climate action. Based on lessons learned through the previous projects and considering the focus of relevant government agencies on climate change and biodiversity loss as key issues to be addressed, IFAD proposes to adopt an integrated approach, which would combine integrated management of land, water and living resources of a defined ecosystem with value chains developed from those resources, that contribute to restoring, maintaining and improving ecosystem health as well as strengthening equitable and sustainable socio-economic benefits for communities within the ecosystem. Mainstreaming priority actions recommended include:

- Integrating natural resource management with value chain development for promoting sustainability and long-term economic growth. This approach ensures that the use and conservation of natural resources are considered throughout the entire value chain, minimizing negative environmental impacts and fostering responsible production practices. By combining these two elements, businesses and communities can achieve increased productivity, reduced resource depletion, and improved livelihoods, leading to a more sustainable and resilient economy.
- Support the capacity development of national government institutions, local government units, and communities to understand and assess environment and climate risk and vulnerabilities to prioritize and develop action plans. Ensure that action plans are integrated with existing DRR plans and response packages.
- Broadly, IFAD investments should help improve the climate resilience of agricultural production, reduce its environmental footprint and maintain/improve agrobiodiversity (including marine diversity and ecosystems), and reduce post-harvest losses – in addition to improving incomes and creating rural jobs. As stated above, utilize approaches that take an integrated view of the landscape such as upland-coastal-lowland or ridge-to-reef.
- Identify entry points and actions that can address two or more mainstreaming themes simultaneously (nutrition, biodiversity, gender and youth, Indigenous Peoples, climate and environment) such as agroecology, home vegetable/fruit gardens, restoration of watersheds, targeting inefficient mineral fertilizer use, promoting sustainable land use and restoration of agro-biodiversity for food security and nutrition, etc.

- Ensure that local communities' traditional knowledge and practices, especially Indigenous Peoples' knowledge systems (see box below), are adequately considered and reflected in the community plans and the promotion of climate resilient and environmentally sustainable technologies and practices.
- Engage with the private sector to ensure access to improved inputs, financing, mechanization, and markets that can improve productivity, increase farm-gate prices and/or reduce input costs, and reduce workload burden of women and provide opportunities for upskilling of women, IPs and youth.
- Ensure that local government units and project management staff are adequately capacitated to implement social and environment management, and can undertake monitoring, evaluation and learning activities for adaptive management.

### **Summary of Situational Analysis**

(i) In terms of poverty and vulnerability;

- Compared to the country's highly urbanized cities, high poverty incidences are concentrated in rural areas.
- While poverty among farmers decreased over time, it still remains higher than the national average; three times greater than urban households.
- Pockets of population experience high levels of malnutrition, particularly stunting, wasting, and being underweight, and these are mostly found in rural areas, especially in areas with high poverty rates.
- Women within the agriculture sector are considered disadvantaged producers having less land, living in remote location, practicing subsistence agriculture, operating in mixed integrated farming systems that are not focused on main staples, and have less access to extension services by national agencies.
- Poverty incidence among the youth is prevalent in BARMM and Region IX. Approximately 14.7 percent of Filipino youth belong to poor families, of which 4.4 percent are food poor families.
- IPs residing within their ancestral domains are generally located in geographically isolated areas, have generally high cases of unemployment, underemployment and illiteracy because of the lack of access to basic social services, and few opportunities for economic, educational, and political participation. They are mostly living below poverty and food thresholds due to the lack of income, livelihood, and access to basic education coupled by a compromised health dynamic of inaccessibility to health and nutrition, housing, and safe drinking water and sanitation.
- The highest poverty incidences among the basic sectors are experienced by the country's farmers and fisherfolks who persistently encounter difficulty in accessing and using financial products and services.

(ii) Based on data from the PBSAP and parallel to the GFW:

- Strong tree cover loss observed in Eastern Mindanao Provinces of Agusan Del Sur and Agusan Del Norte, and western Mindanao of the Zamboanga Provinces. The rest of the provinces in the Philippines experience slight to moderate tree cover loss.
- Cagayan River is the largest river basin. It is where the most expensive and threatened lobed river mullet (*Cestraeus plicatilis*) or *ludong* can be found. It is also the habitat of three (3) species of eels, *Anguilla marmorata*, *Anguilla pacifica* and *Anguilla celebenensis*.
- The Agusan Marsh Wildlife Sanctuary in Agusan del Sur is one of the key biodiversity sites in the country and an important peatland area comprised of a

vast complex of freshwater marshes and water courses that collectively act as holding water basin for floodwaters that regularly inundate the Agusan Valley during the northeast monsoon; designated as a Ramsar site in 1999.

- In terms of agrobiodiversity, it is noted that in Kalinga, Davao, Palawan, Pampanga, and Oriental Mindoro, at least seven ethnic groups practice 15 types of measures against rainfall aberrations and at least 11 ethnic groups are practicing 33 types of practices versus temperature change as an example of indigenous knowledge on climate change adaptation. These are carried out in rice, vegetables, fruits, and sugarcane varieties.

(iii) The Indigenous Knowledge Systems and Practices on natural resource management will also be considered in the interventions of the IFAD as these are vital among IP communities.

- On watershed and forested areas, the practice of muyong or pinugo in Ifugao demonstrates their knowledge of silviculture, agroforestry, horticulture, and soil and water conservation. In Apayao, the lapat system ensures the regeneration of biodiversity of resources within a declared area. The batangan or the indigenous forest management system of Mountain Province also contributes to the conservation of forest cover.
- On agriculture, sustainable farming systems such as fallowing and organic farming are among those practiced in the Cordillera.
- On water resource management, the dapat and mananum are traditional systems that ensure reliable water supply through cooperative rehabilitation, quality and quantity maintenance, and respect for life.

(iv) Per the NCCAP and PAGASA, the following projections necessitate the recommendation for government to formulate climate change adaptation plans within high-risk areas:

- Due to projected changes in rainfall, the drier future over central sections of Mindanao.
- While the number of tropical cyclones is expected to decrease, an increase in frequency of strong cyclones is “more likely than not”.
- The projected increase in sea level might worsen storm surge hazards particularly on coastal communities of Leyte, Samar, and along the southwestern coasts of Central and Western Visayas, and east of Mindanao and south of Zamboanga.
- MIMAROPA region has the largest total coral area and the largest mangrove area. National decadal mangrove deforestation rate is 0.5 percent.

52. Potentially these two projects in the first stage of the COSOP would be applied in different ecosystems, having different lead agencies for implementation and with a strong partnership with the Department of Environment and Natural Resources for technical leadership on ecosystem and climate change matters. The proposed projects would cover:

- (i) **Project 1** - Focus on upland, watershed, river basins, ARCs as entry point within the surrounding ecosystems and IP communities. Consideration of agrobiodiversity, agroforestry and climate change adaptation would be an integral aspect of initial project planning. For approval in 2023.
- (ii) **Project 2** (subject to country receiving allocations in FAD13)- Coastal ecosystems including marine fisheries and mangrove ecosystems, climate resilience (fishing communities most vulnerable) and reduction of illegal and unsustainable fishing practices. For approval in 2024.

53. The approach to the above proposed projects recognizes that in the rural-urban spectrum, poverty incidence is aggravated by lack of diversity in sources of income, thereby increasing susceptibility to shocks that affect nutrition - household income is correlated with household dietary diversity where most female-headed households allocate income with focus on dietary diversity (Danton, 2016). Low population density rural clusters manifest high poverty and high prevalence of stunting and wasting and those in dense urban clusters are similarly though at a lesser degree, vulnerable to high poverty, stunting, and wasting.<sup>79</sup> The proposed projects will be cognizant of ecosystems being inter-related and interconnected in terms of their functional relationships such that perturbations in one would affect the other. Hence, while investments will focus on an ecosystem for VCD purposes, SECAP 2021 assessment and risk management shall take into account the whole continuum – ridge to reef, or upland-coastal/island with due concerns on the poverty and socioeconomics aspects that include gender and nutrition-sensitive assessment and programming within that ecosystem.
54. **Monitoring.** The COSOP and proposed IFAD projects will be monitored along the following key considerations to ensure that projects are designed, developed and implemented in line with SECAP requirements, local regulations and industry best practices, as well as seeking innovative ways to implement and monitor good practices that extend beyond basic input-output monitoring and safeguards compliance.
- (i) Based on mandatory screening and categorization that applies the nine Standards, ensure that the following documentary requirements are conducted / prepared as applicable:
    - Environmental and social impact assessment (ESIA),
    - Environmental, Social and Climate Management Framework (ESCMF),
    - Resettlement Action Framework/Plan (RAF/P),
    - Indigenous Peoples Plan (IPP),
    - Free and Prior Informed Consent (FPIC) Plan,
    - Pesticide Management Plan,
    - Cultural Resources Management Plan,
    - Chance Find Plan,
    - Environmental and Social Management System,
    - Labour Management Procedure,
    - Where there is a risk of significant GHG emissions, potential sources should be established and amounts estimated to form a baseline for reducing emissions.
  - (ii) Grievance redress mechanism (GRM). IFAD requires its partners to adopt an easily accessible grievance mechanism in order to receive and resolve concerns and complaints of people who may be adversely affected or potentially harmed by IFAD-supported projects that fail to meet the SECAP Standards and related policies. For ICCs, GRM will be culturally appropriate that is easily accessible to affected indigenous peoples and in the local languages.
  - (iii) Stakeholder Engagement Plan (SEP). A SEP is prepared describing how stakeholders are engaged with IFAD initiatives, especially in mobilizing their feedback. Consultations with target groups, communities and other stakeholders likely to engage with IFAD's operations are sought throughout the project life cycle, to start as early as possible to feed into design and implementation considerations.

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<sup>79</sup> Alliance of Bioversity International and CIAT & World Food Programme. (2021). *Philippine climate change and food security analysis*. Manila, Philippines.

55. The implementation and performance of social, environmental and climate adaptation or mitigation measures such as those enumerated above will be periodically monitored. For ecosystem investments these would need to include impact assessments processes or data collection on changes in resilience, changes in ecosystem or biodiversity, potential changes in GHG emissions or emissions intensity (such as through increase in soil organic carbon, improved mangrove health, etc.).

## Attachment 1. IFAD Environmental and Social Exclusion List

### IFAD will not knowingly finance, directly or indirectly, projects involving the following (SECAP 2021, Volume 2):

- (i) Production or activities involving harmful or exploitative forms of forced labour,<sup>80</sup> or practices which prevent employees from lawfully exercising their rights of association and collective bargaining;
- (ii) Production or activities involving harmful or exploitative forms of child labour;<sup>81</sup>
- (iii) Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples;
- (iv) Activities prohibited by host-country legislation or international conventions relating to the protection of biodiversity resources, cultural heritage or other legally protected areas;<sup>82</sup>
- (v) The production, trade in or use of any product or activity deemed illegal under host country (i.e. national) laws or regulations, international conventions and agreements, or subject to international phase-out or bans, such as:
  - a) Products containing polychlorinated biphenyls (PCBs);
  - b) Pharmaceuticals, pesticides, herbicides and other hazardous substances subject to international phase-outs or bans;<sup>83</sup>
  - c) Ozone-depleting substances subject to international phase-outs regulated by the Montreal Protocol;<sup>84</sup>
  - d) Wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);<sup>85</sup> and
  - e) Transboundary trade in waste or waste products, as defined by the Basel Convention;<sup>86</sup>
- (vi) Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests;
- (vii) Production or trade in wood or other forestry products other than from sustainably managed forests;
- (viii) Production or trade in alcoholic beverages (excluding beer and wine), tobacco or drugs;

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<sup>80</sup> Forced labour is work exacted under the threat of penalty and for which the worker has not offered himself or herself voluntarily. It can involve threats of dismissal or physical violence, the withholding of identity documents or wages, threats to report workers to immigration authorities and entangling workers in fraudulent debt.

<sup>81</sup> Child labour includes: (i) labour below the host country's minimum age of employment; and (ii) any other work that may be hazardous, may interfere with a child's education, or may be harmful to a child's health or physical, mental, spiritual, moral or social development. If national laws or regulations provide for employment of children of at least 16 years of age (in line with ILO's 1973 Minimum Age Convention), on the condition that their health, safety and morals are fully protected, and they have received adequate instruction or vocational training in the relevant branch of activity, then child labour means employing children for work that does not comply with these laws and regulations.

<sup>82</sup> Relevant international conventions include the: Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); World Heritage Convention; and Convention on Biological Diversity.

<sup>83</sup> Relevant international conventions include the: United Nations Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; and WHO Classification of Pesticides by Hazard. A list of pesticides, herbicides and other hazardous substances subject to phase-outs or bans is available at <http://www.pic.int>.

<sup>84</sup> A list of the chemical compounds regulated by the Montreal Protocol, together with details of signatory countries and phase-out target dates, is available from UNEP.

<sup>85</sup> A list of CITES species is available from the CITES secretariat.

<sup>86</sup> See <http://www.basel.int>.



- (ix) Marine and coastal fishing practices such as blast fishing, large-scale pelagic drift net fishing using nets in excess of 2.5 km in length or fine mesh net fishing harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats;
- (x) Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit;
- (xi) Production of, trade in or use of unbounded asbestos fibres;
- (xii) All mining, mineral processing and extraction activities;
- (xiii) Production or trade in radioactive materials;<sup>87</sup>
- (xiv) Gambling, casinos and equivalent enterprises, trade related to pornography or prostitution;
- (xv) Money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion;
- (xvi) Production and distribution, or investment in media that are racist, antidemocratic or that advocate discrimination against an individual, group or part of the population;
- (xvii) Activities prohibited by host country legislation or other legally binding agreements regarding genetically modified organisms (GMOs);
- (xviii) Production of or trade in palm oil, unless from growers and companies with internationally recognised certification<sup>88</sup>, or undergoing certification;<sup>89</sup>
- (xix) Production of soy in the Amazon region or trade in soy produced in the Amazon region, unless from growers with internationally recognised certification.<sup>90</sup>

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<sup>87</sup> This does not apply to the purchase of medical or veterinary equipment, quality control (measurement) equipment and any similar equipment where the radioactive source is trivial and/or adequately shielded.

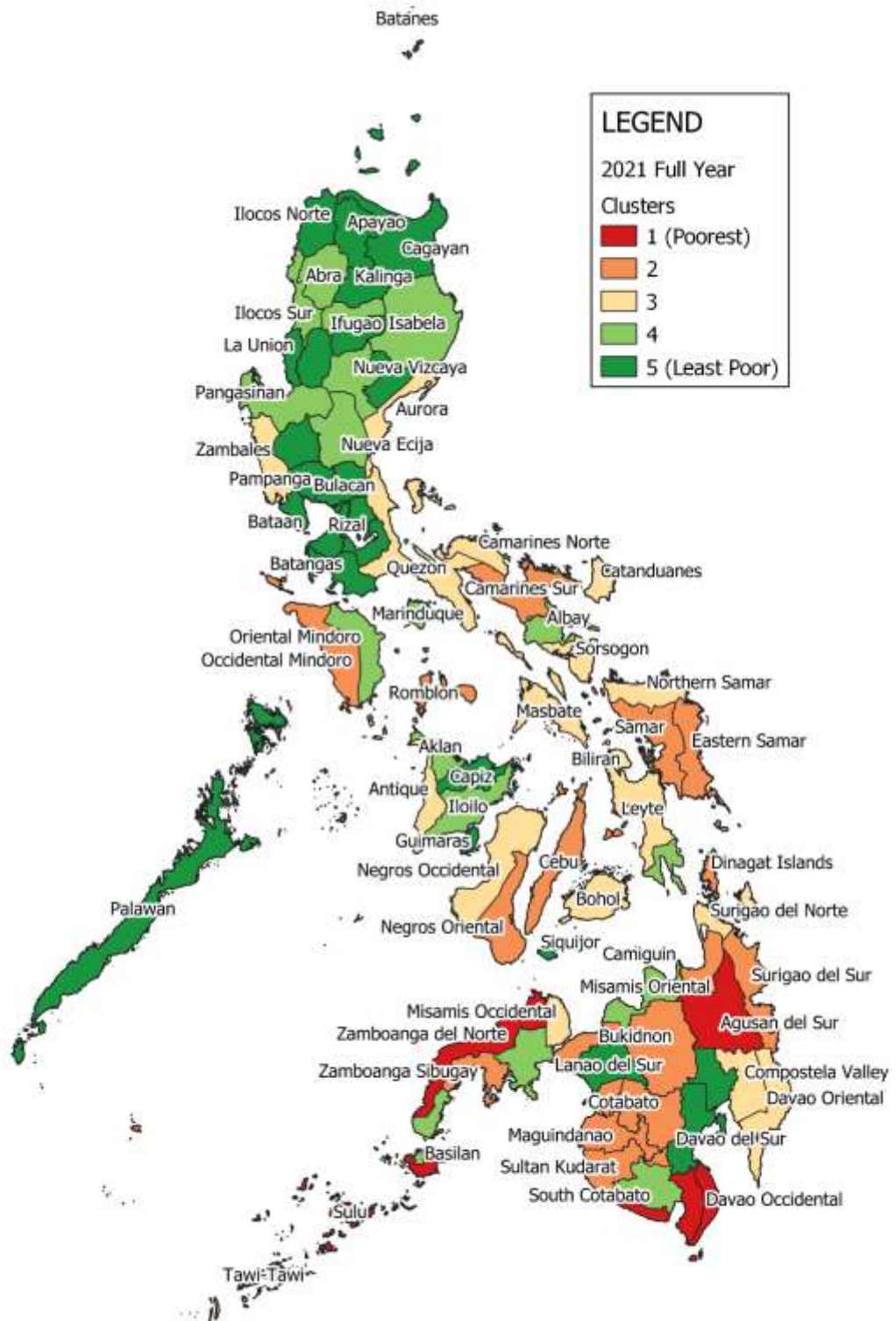
<sup>88</sup> For example, Round Table on Sustainable Palm Oil (RSPO).

<sup>89</sup> This includes growers and companies that have initiated such certification process. <sup>126</sup> For example, Round Table on Responsible Soy Association (RTRS).

<sup>90</sup> For example, Round Table on Responsible Soy Association (RTRS).

**Attachment 2. SECAP Reference Maps and Figures - Socio Economic Situation**

**Attachment 2. 1. Philippines Poverty Map**



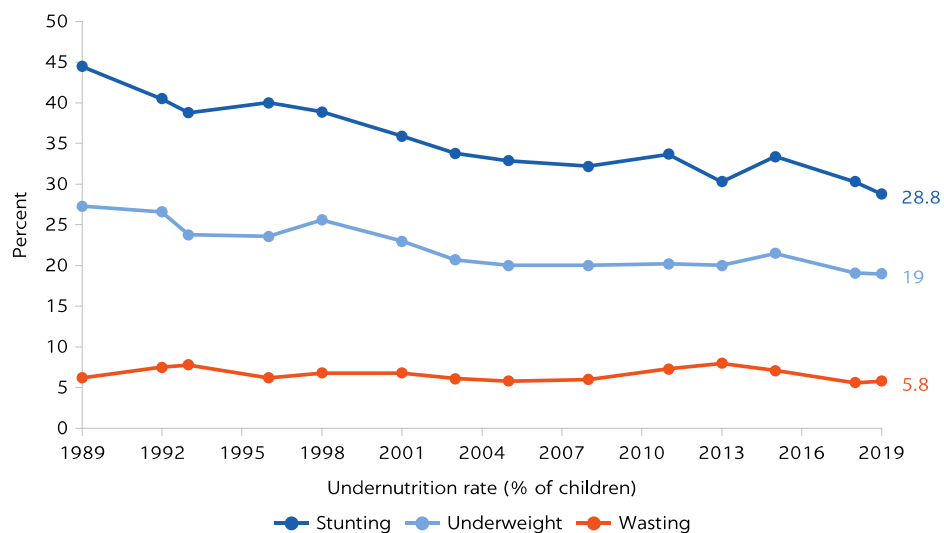
**Attachment 2. 2. Nutrition Facts and Figures<sup>91</sup>****Rate of stunting in children under age five in the Philippines, by municipality, 2015**

**Note:** The darker the color, the higher the stunting rate.

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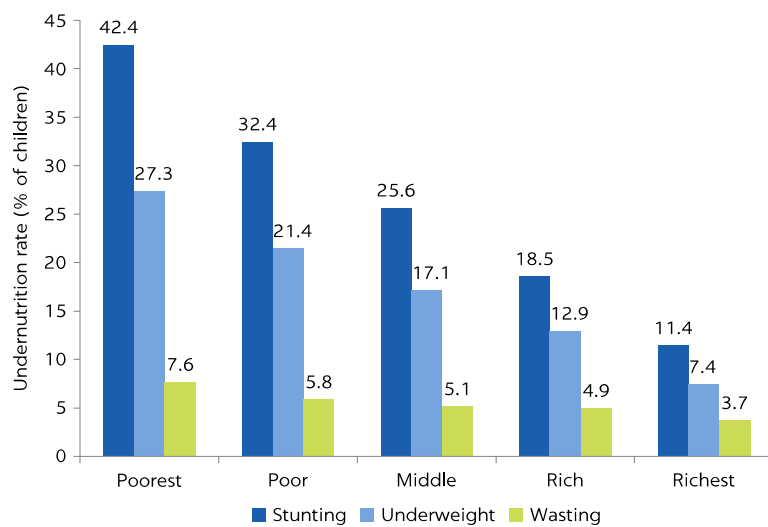
<sup>91</sup> National Nutrition Survey (FNRI 2015) in Mbuya, Nkosinathi V. N., Gabriel Demombynes, Sharon Faye A. Piza, and Ann Jillian V. Adona. (2021) *Undernutrition in the Philippines: Scale, Scope, and Opportunities for Nutrition Policy and Programming*. International Development in Focus. Washington, DC: World Bank. doi:10.1596/978-1-4648-1701-4. License: Creative Commons Attribution CC BY 3.0 IGO

**Malnutrition trends in the Philippines for children under age five, 1989–2019**



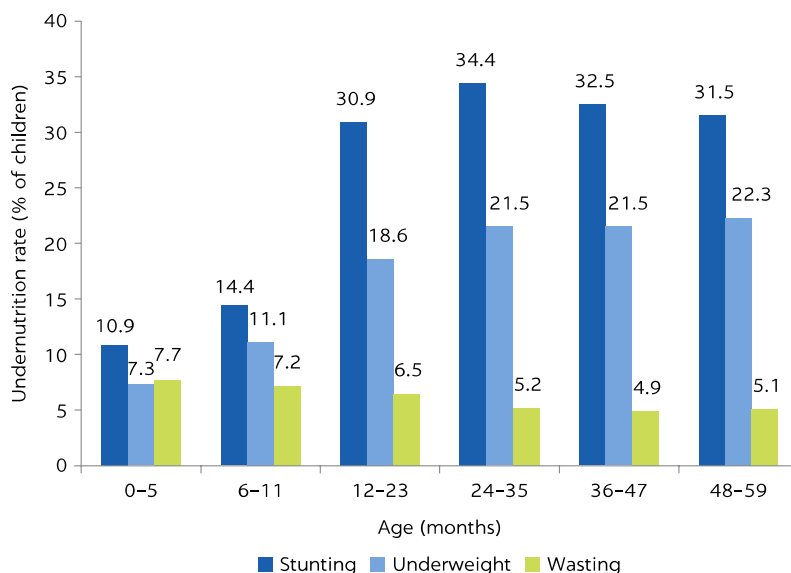
Source: National Nutrition Survey reports from the Food and Nutrition Research Institute.

**Rate of stunting, underweight, and wasting in children under age five in the Philippines, by wealth quintile, 2019**



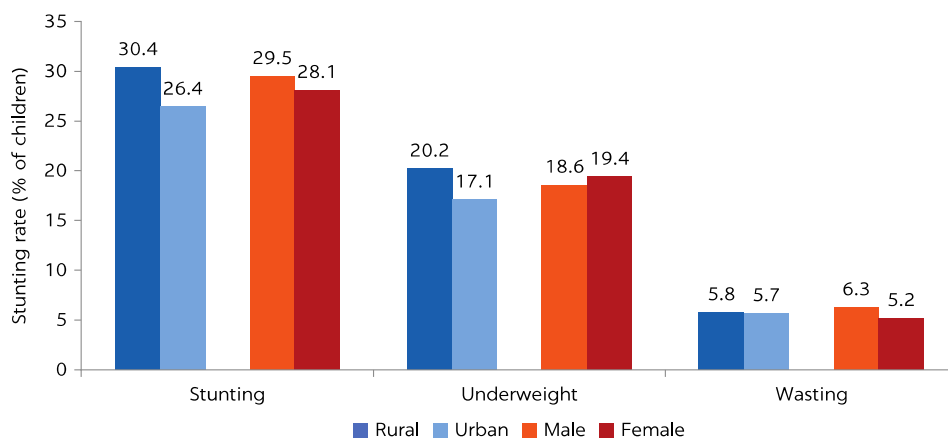
Source: FNRI 2019.

**Rate of stunting, underweight, and wasting in children under age five in the Philippines, by age group, 2019**



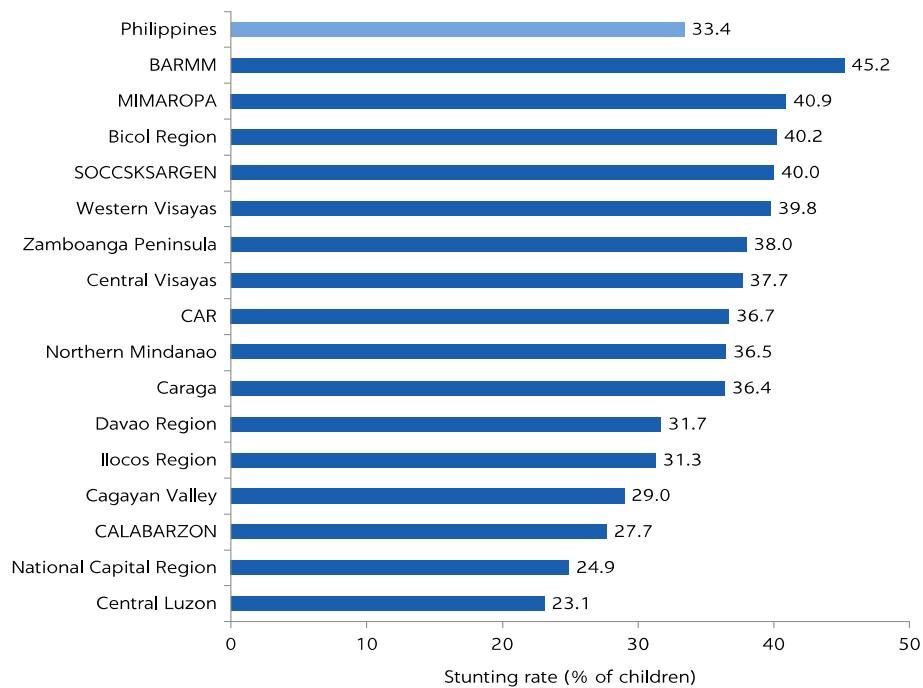
Source: FNRI 2019.

**Rate of stunting, underweight, and wasting in children under age five in the Philippines, by setting (urban or rural) and gender, 2019**



Source: FNRI 2019.

### Rate of stunting in children under age five in the Philippines, by region, 2015



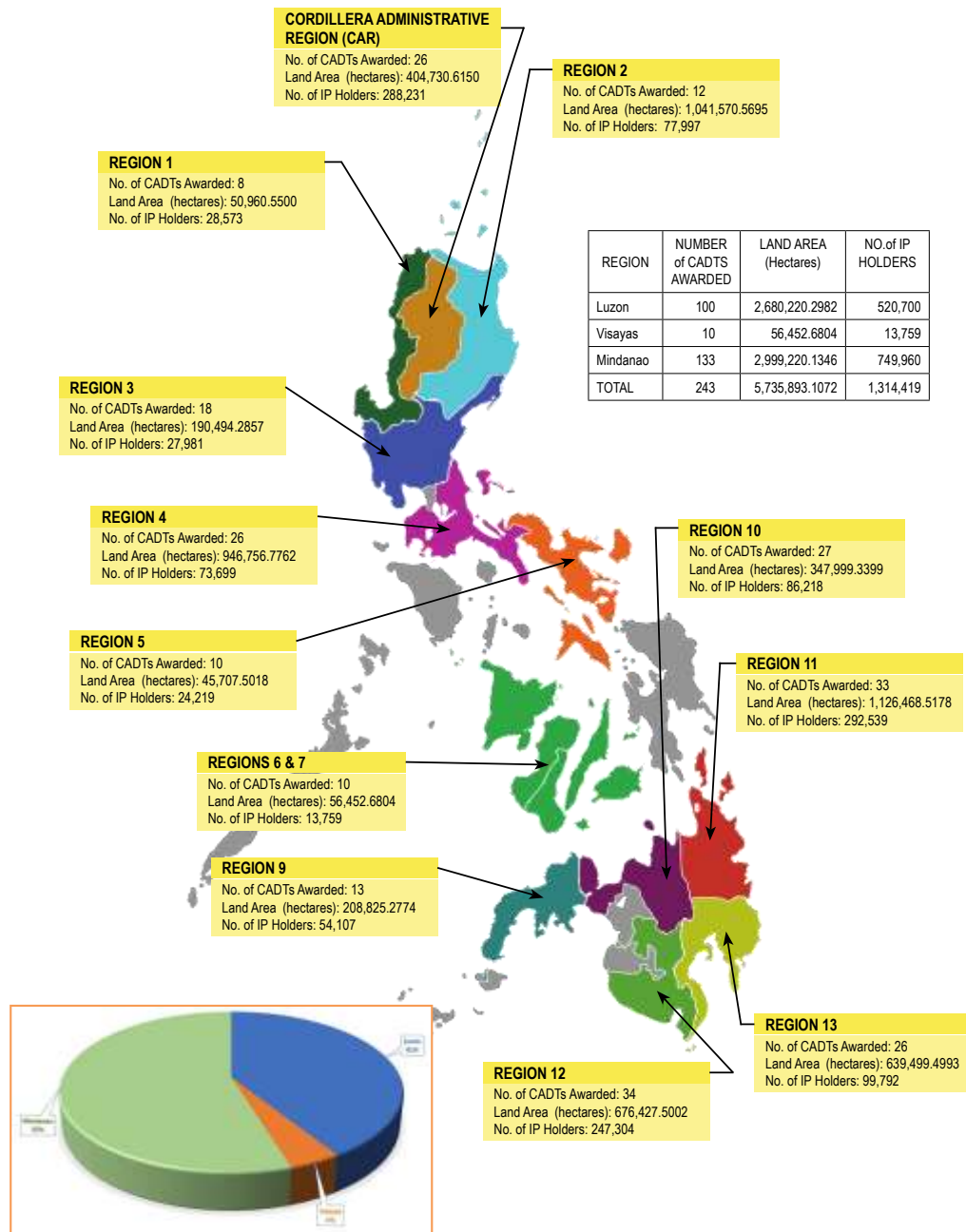
Source: FNRI 2015.

Note: BARMM = Bangsamoro Autonomous Region in Muslim Mindanao. CALABARZON = Cavite, Laguna, Batangas, Rizal, and Quezon. CAR = Cordillera Administrative Region.

MIMAROPA = Occidental Mindoro, Oriental Mindoro, Marinduque, Romblon, and Palawan.

SOCCSKSARGEN = South Cotabato, Cotabato, Sultan Kudarat, Sarangani, and General Santos.

**Attachment 2. 3. Location and Distribution of CADT Areas**

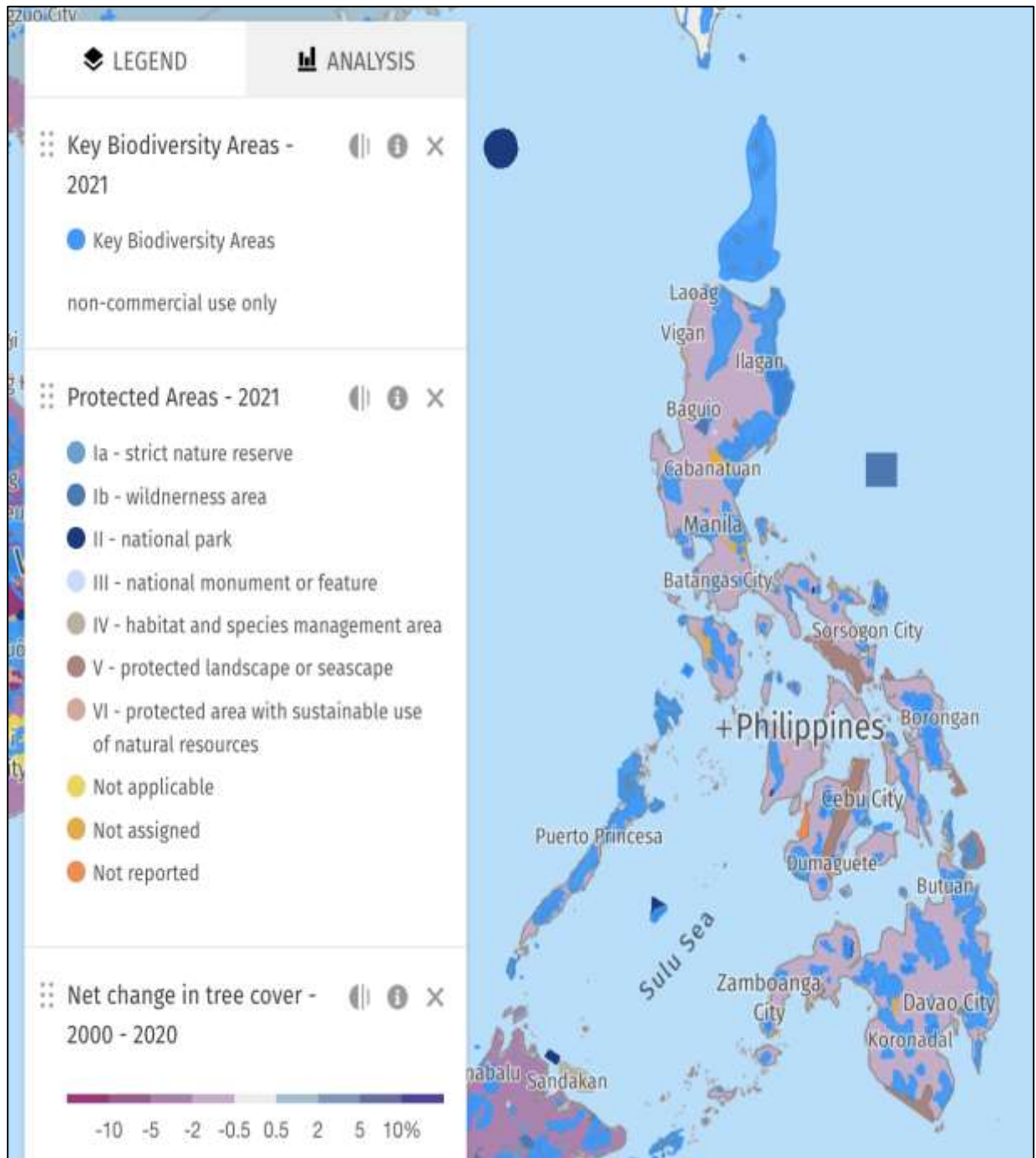


**Source:** NCIP in Indigenous Peoples and the Sustainable Development Goals. Tebtebba. 2019.

**Attachment 3. SECAP Reference Maps – Environment and Climate**

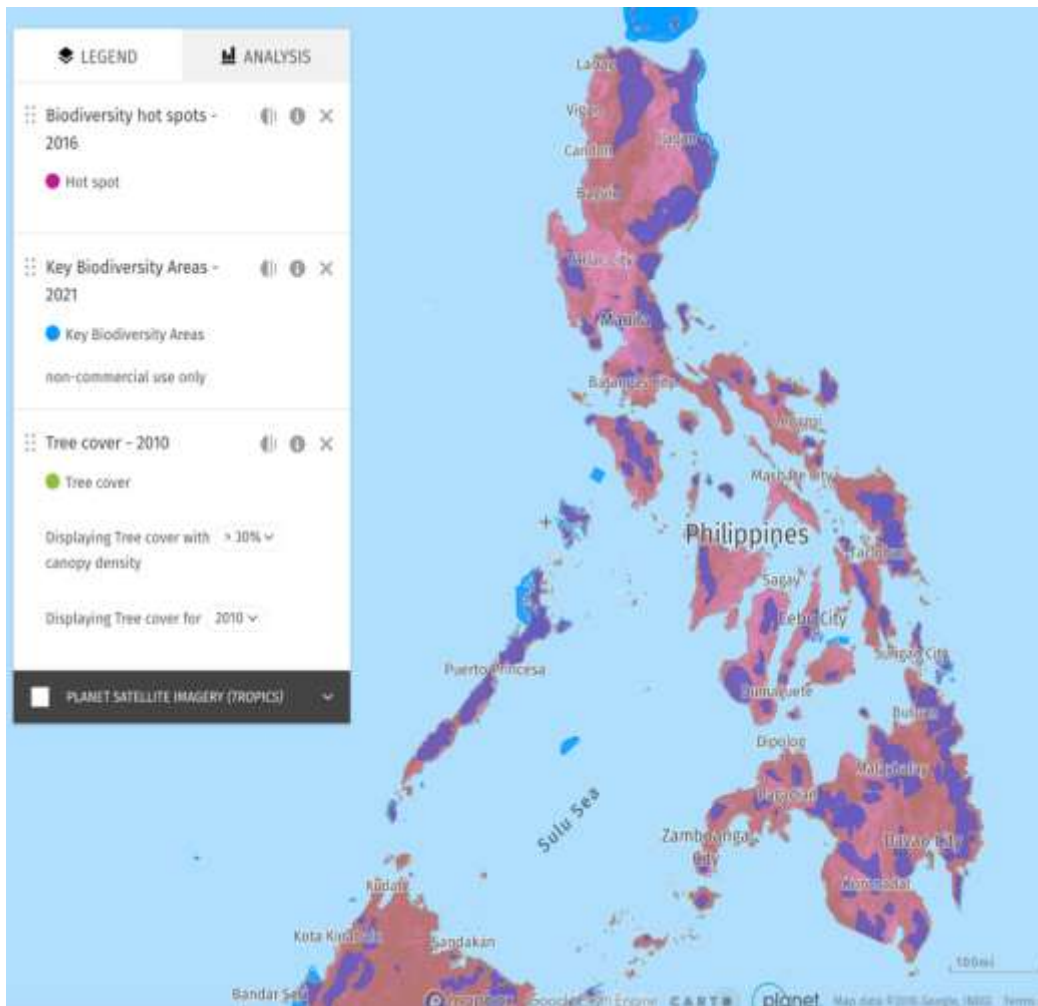
**Attachment 3. 1. Biodiversity and Conservation Sites**

Source: <http://globalforestwatch.org>





### Attachment 3. 2. Biodiversity hotspots



Source: <http://globalforestwatch.org>

**Attachment 3. 3. Mining tenements, power plants and protected areas**

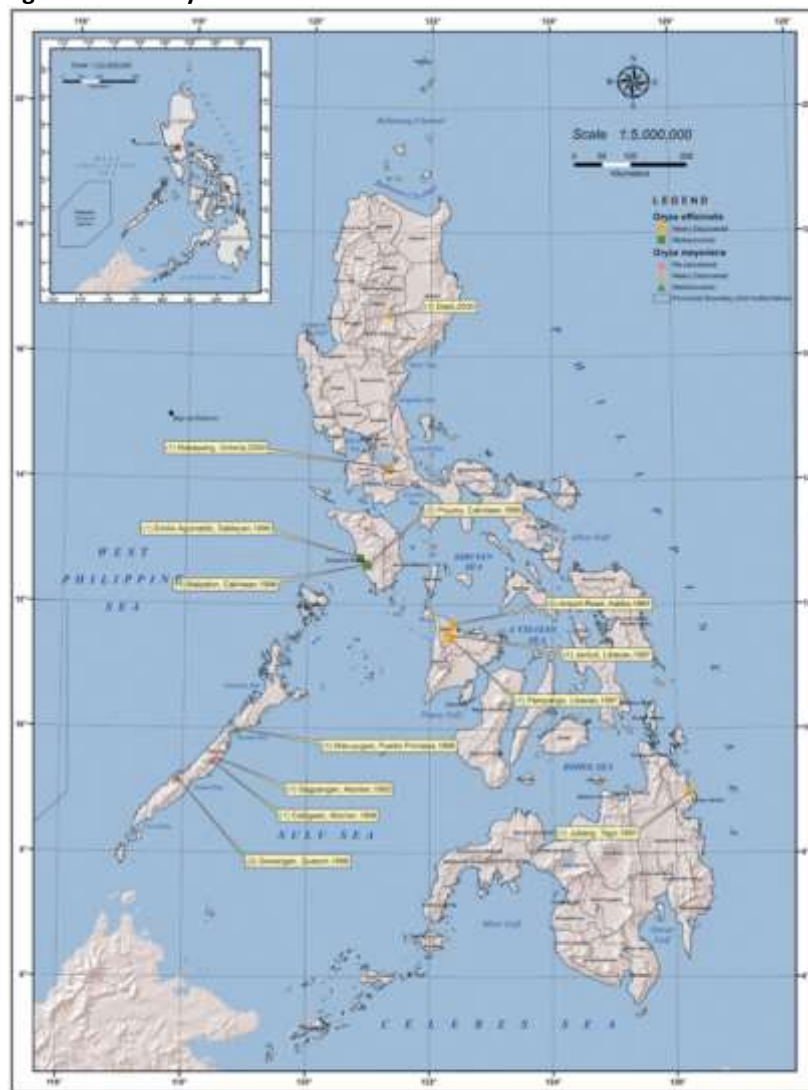


**Figure 28. Mining tenements, coal and geothermal power plants, and protected areas in the Philippines**

Data sources: Mining tenements - MGR-DENR; Au - BMB-DENR; Coal and geothermal plants - DOE

**Source: DENR-BMB PBSAP 2015-2028**

**Attachment 3. 4. Agro-biodiversity**



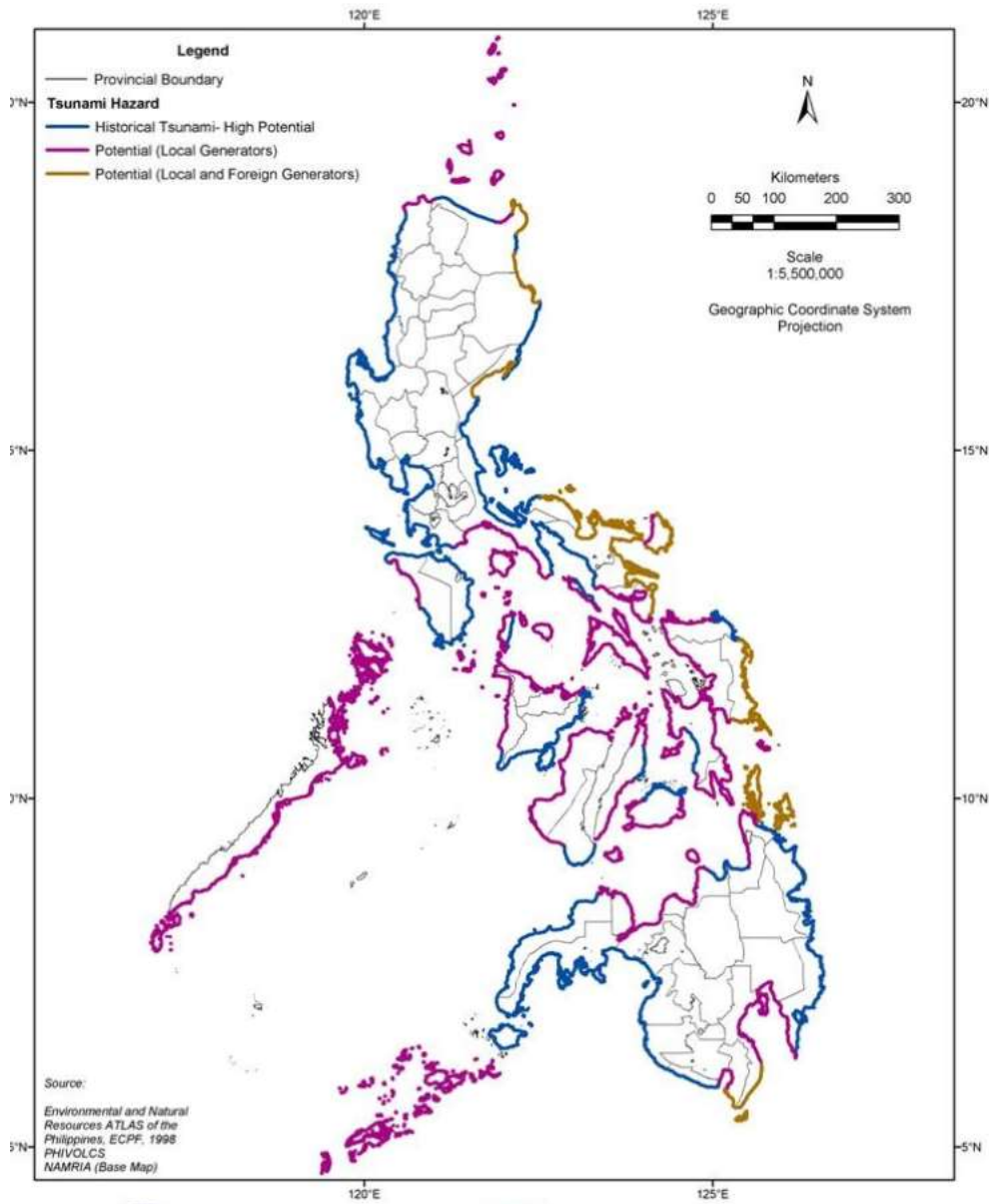
**Figure 14. Discovery and re-discovery of wild rice populations, 1996-2000**

*Date source: Bon & Borromeo (2003) Discovery and rediscovery of wild rice populations in the Philippines*

**Source: DENR-BMB PBSAP 2015-2028**

Attachment 3. 5. Geologic Hazard Maps of Philippines

### Tsunami-Prone Areas



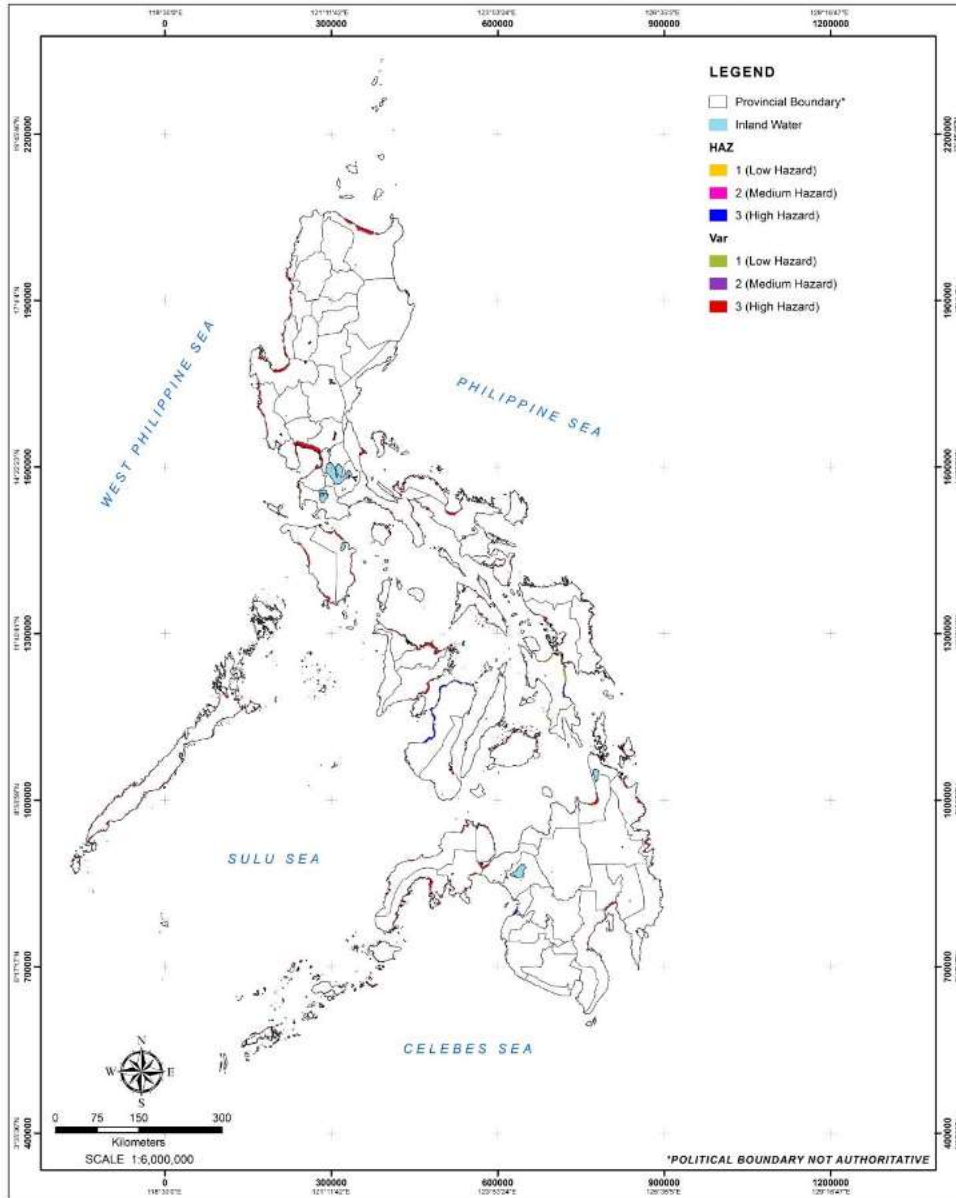
MANILA OBSERVATORY



DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

# STORM SURGE MAP OF THE PHILIPPINES

## Adaptation and Mitigation Initiative in Agriculture (AMIA)



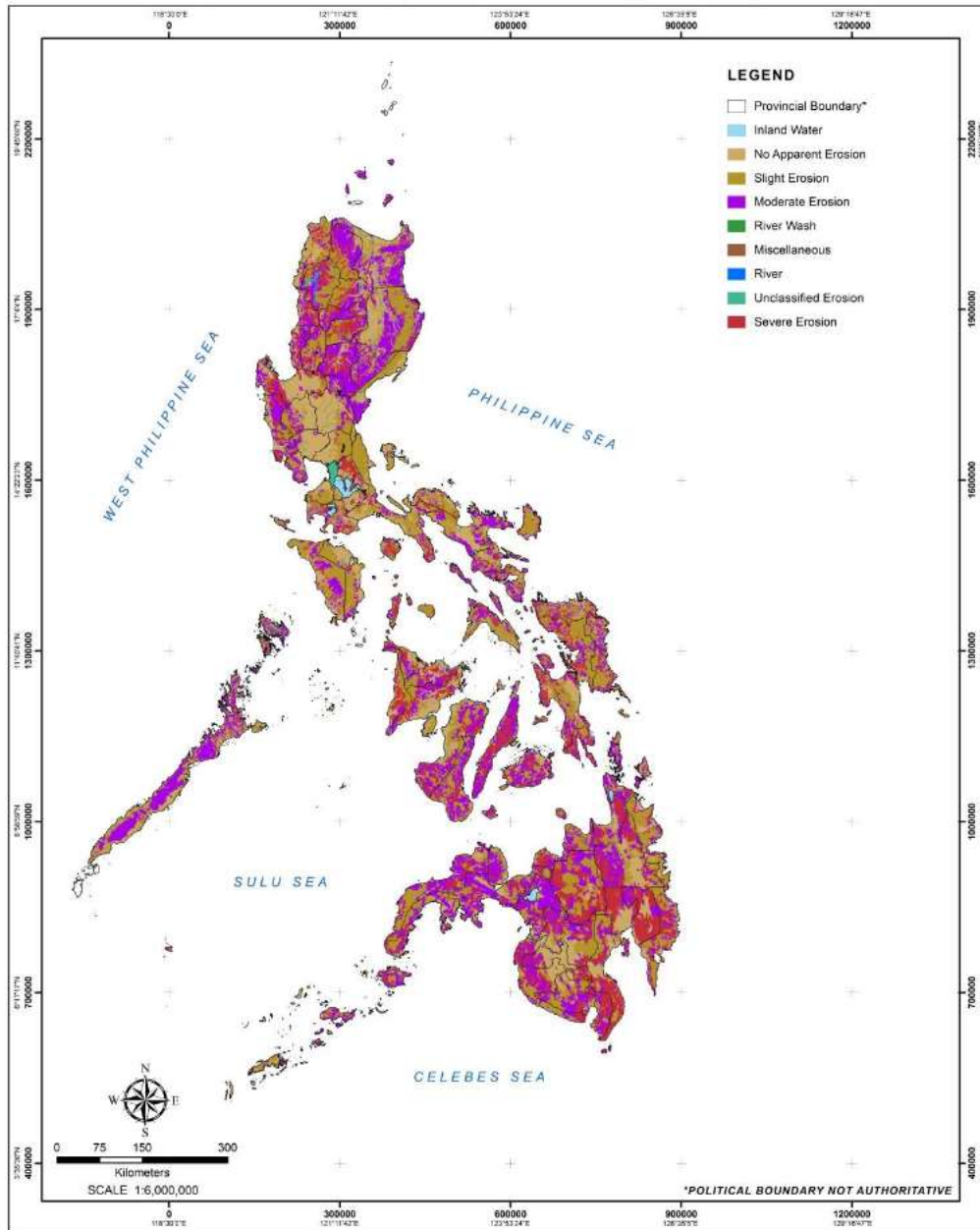
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 PUBLISHED MAY 2016

**COORDINATE SYSTEM**  
 PROJECTION Geographic UTM Zone 51 N  
 DATUM WGS 1984

**MAP SOURCE** National Mapping and Resource Information Authority (NAMRIA), Satellite Imagery  
**DATA SOURCE** National Institute of Geological Sciences (NIGS)  
**PROCESSING** DASWCCO - AMIA Project 1 Integrated Climate Change Geographic Information System (ICCGIS)

# EROSION MAP OF THE PHILIPPINES

## Adaptation and Mitigation Initiative in Agriculture (AMIA)



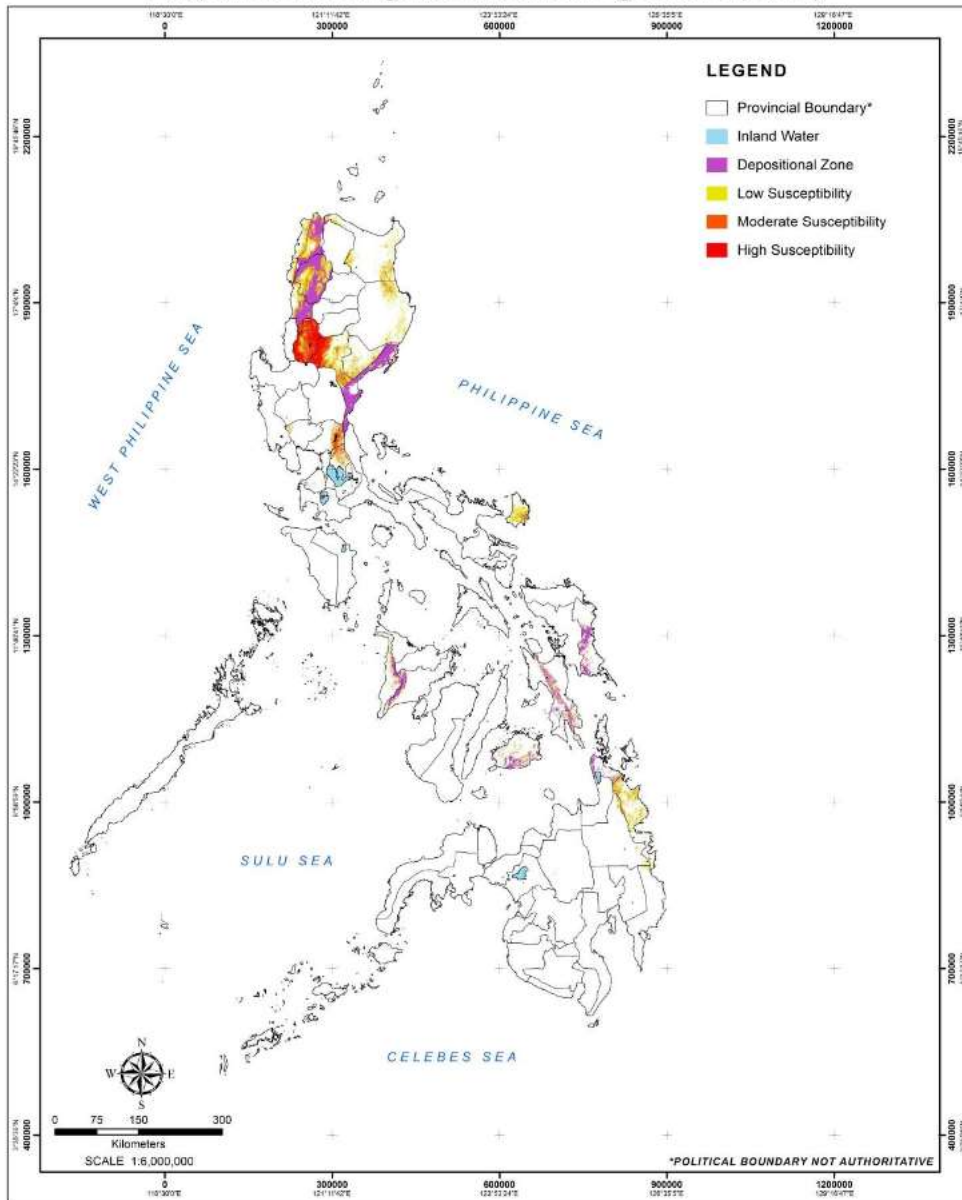
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**COORDINATE SYSTEM**  
 PROJECTION Geographic UTM Zone 51 N  
 DATUM WGS 1984

**MAP SOURCE** National Mapping and Resource Information Authority (NAMRIA), Satellite Imagery  
**DATA SOURCE** Bureau of Soils and Water Management (BSWM)  
**PROCESSING** DASWCCO - AMIA Project 1 Integrated Climate Change Geographic Information System (ICCGIS)



## EARTHQUAKE-INDUCED LANDSLIDE MAP OF THE PHILIPPINES Adaptation and Mitigation Initiative in Agriculture (AMIA)



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**COORDINATE SYSTEM**  
PROJECTION Geographic  
UTM Zone 51 N  
DATUM WGS 1984

**MAP SOURCE** National Mapping and Resource Information Authority (NAMRIA),  
Satellite Imagery  
**DATA SOURCE** Philippine Institute of Volcanology and Seismology (PHIVOLCS)  
**PROCESSING** DASWCCO - AMIA Project 1  
Integrated Climate Change Geographic Information System (ICCGIS)

#### Attachment 4. Description of Major Ecosystems

Resource/ Ecosystem	Description
<b>Major River Basins</b>	There are 18 major river basins and 421 principal rivers. Cagayan River Basin in Cagayan Valley is the largest, followed by the Mindanao River Basin or the Rio Grande de Mindanao. The rivers are extensively used for transporting people, products and for fishing. See Attachment 3. Distribution of River Basins of the Philippines for details.
<b>Coastal and Marine Waters<sup>92</sup></b>	<p>Coastal and marine waters cover about 266,000 sq km including bays and gulfs with 17,460 km of coastline covering 64 of the 79 provinces. Millions of people depend on aquatic resources for livelihood and coastal fishing activities account for 97 percent of the total fish production (46 percent aquaculture and 51 percent municipal fishing). Coral reefs cover about 27,000 sq km although studies show increasing trend of poor conditions from 4 percent in excellent condition in 1996 to less than 1 percent in 2010 (Magdaong, Yamano, &amp; Fujii, 2012). The Visayas have experienced the most significant decline in coral cover exhibiting an average of only 11 percent hard coral cover (BFAR, n.d.). NAMRIA<sup>93</sup> data reveals that MIMAROPA region has the largest total coral area with 325.93 thousand ha (40.9 percent ) and the largest mangrove area of 68.42 thousand ha (22.5 percent ). It was estimated that mangrove forests (356,000 ha) had a recent decadal deforestation rate of 0.5 percent .<sup>94</sup></p> <p>The Philippines sits at the apex of the Coral Triangle which is considered to be the center of marine shorefish diversity. The number of species found in the Philippines range from 1,995 to 2,214 species covering the spectrum of species diversity in the Coral Triangle. Many commercially important marine species, like salmon, grouper etc, use coastal nursery habitats to raise their young.</p>
<b>Groundwater</b>	An extensive groundwater reservoir has an aggregate area of 50,000 sq km. It is recharged by rain and seepage from rivers and lakes. These are located in Northeast Luzon, Central Luzon, Laguna Lake basin, Cavite-Batangas-Laguna basin, Southeast Luzon, Mindoro Island, Negros Island, Northeast Leyte, Ormoc-Kananga basin, Agusan-Davao basin, Occidental Misamis basin, and Lanao-Bukidnon-Misamis basin.
<b>Inland Waters and Wetlands<sup>95</sup></b>	The PBCP identified 216 lakes, 421 principal rivers, 22 marshes, and swamps. The BMB (2014, unpublished report on the Inventory of Inland Wetlands in Luzon, Philippines) has identified 756 inland wetlands with 651 (86 percent) river systems, 83 (11 percent) lakes, 16 (2 percent) water storage/reservoirs, four ponds, and two marshes/pools (1 percent). Lakes are mostly utilized for fish production with 10 considered major hosts for aquaculture production. There is a decreasing trend in water quality, fish, biodiversity and cultural value in the largest lake (Laguna de Bay 3,813.2 sq km (watershed area and lake proper)) and its tributary

<sup>92</sup> *Ibid*

<sup>93</sup> NAMRIA in PSA 2022. Compendium on Phil. Environment Statistics 2010-2019

<sup>94</sup> Gevaña, Camacho, & Pulhin, 2018 cited by Camacho et al. 2020

<sup>95</sup> Philippine Biodiversity Strategy Action Plan 2015-2028. Bringing Resilience to Filipino Communities. Department of Environment and Natural Resources – Biodiversity Management Bureau. Ninoy Aquino Parks and Wildlife Center, Diliman, 1100 Quezon City



Resource/ Ecosystem	Description
	<p>rivers. Lake Lanao, is the largest lake in Mindanao and is one of 17 ancient lakes on earth.</p> <p>This ecosystem harbors 316 fish species, 121 (38 percent) of which are endemic and 76 (24 percent) are threatened. It hosts several species of aquatic plants, resident and migratory birds, amphibians, and reptiles like the endemic and threatened Philippine freshwater crocodile (<i>Crocodylus mindorensis</i>).</p>
<b>Forest</b> <sup>96</sup>	<p>The Philippines has 7.2 M ha of forest ecosystems, comprising approximately 24 percent of the total land area. Between 2001 and 2021, the Global Forest Watch reported the Philippines lost 1.34 M ha of tree cover equivalent to 7.2 percent decrease since 2000. Close and open canopy forests increased in 2015 by 0.09 M ha and 0.08 M ha, respectively. Mangrove forests decreased by 0.01 M ha. Open canopy forest still comprises the largest share (66.8 percent) in the total forest cover in 2015. Close canopy forest followed at 28.9 percent, and mangrove forest at 4.3 percent.</p>

<sup>96</sup> DENR FMB in PSA 2022. Compendium on Phil. Environment Statistics 2010-2019

## Attachment 5. Environmental Hazards in the Philippines

Hazard Type	Description
<b>Cyclones and Storm Surge</b> <sup>97</sup>	<p>An average 19–20 cyclones enter the Philippine Area of Responsibility (PAR) annually, with 7–9 reaching landfall. Typhoons appear to have greater intensity: Typhoon Haiyan in 2013 was recorded as one of the fastest on record, with a propagation speed nearly twice that of an average cyclone. The number of typhoons entering PAR has steadily decreased. However, as mentioned, typhoons have become more intense.</p> <p>In general, the impacts of frequent typhoon events are negative. As Holden and Marshall (2018) describe, ‘they set off landslides, cause severe and recurrent flooding of lowland areas, and are responsible for more loss of life and property than any other natural hazard’.</p>
<b>Flood</b> <sup>98</sup>	<p>As of 2010, the population annually affected by flooding in the Philippines is estimated at 176,000 and the expected annual damages at \$625 million. Development and climate change are both expected to increase these figures. The climate change component can be isolated and by 2030 is expected to increase the annually affected population by 61,000 people, and the damages by \$451 million under the RCP8.5 emissions pathway (World Resources Institute’s AQUEDUCT Global Flood Analyzer – Scenario B in.</p> <p>Research by Willner et al. (2014) suggests the median increase in the population affected by an extreme (90<sup>th</sup> percent ile) river flood by 2035–2044 is approximately 2.6 million people. This represents an increase of 135 percent from the population exposed to extreme flooding in 1971–2004.</p>
<b>Drought</b> <sup>99</sup>	<p>The risks associated with drought, are less pronounced (ranked 68<sup>th</sup>). The Philippines ranks 88<sup>th</sup> with respect to ‘coping capacity’. Although the Philippines is a warm tropical climate country receiving up to 950 – 4,000 mm of average annual rainfall, El Niño events have triggered extended periods of well below average rainfall leading to major water shortages and crop losses. Two primary types of drought may affect the Philippines, meteorological (usually associated with a precipitation deficit) and hydrological (usually associated with a deficit in surface and subsurface water flow, potentially originating in the region’s wider river basins). At present the Philippines faces an annual median probability of severe meteorological drought of around 3 percent, as defined by a standardized precipitation evaporation index (SPEI) of less than –2.</p>
<b>Heatwaves</b> <sup>100</sup>	<p>The Philippines regularly experiences high maximum temperatures, with an average monthly maximum of around 30°C and an average May maximum of 32°C. The current median probability of a heat wave<sup>101</sup> is around 2 percent. Under all emissions pathways projections, the probability of experiencing a</p>

<sup>97</sup> NCCAP 2011-2028 and WBG ADB 2021.

<sup>98</sup> Ibid.

<sup>99</sup> Ibid.

<sup>100</sup> Ibid.

<sup>101</sup> Heatwave defined as a period of 3 or more days where the daily temperature is above the long-term 95<sup>th</sup> per centile of daily mean temperature - WBG ADB 2021.

Hazard Type	Description
	heat wave increases dramatically by 2080–2099, up to 52 percent under the RCP6.0 pathway and 76 percent under the RCP8.5 pathway. In Mindanao in the south, particularly large increases in heatwave probability are projected, with potential for year-long heatwaves by 2050.
<b>Earthquakes and landslides</b>	<p>Exposure to earthquake (ranked 10<sup>th</sup>) is a major contributor to the Philippines’ position on the INFORM index. Six of the seven largest Philippine earthquakes since 1901 with magnitude almost 8.0 <math>M_w</math> or higher were in Mindanao. These areas are near the Cotabato Trench and the southern portion of the Philippine Trench. The Philippine Fault Zone (PFZ) extends 1200 km across the Philippine archipelago behind the convergent boundary of the Philippine Trench and the subduction of the Philippine Sea Plate. The northern and southern extensions of the PFZ are characterized by branching faults due to brittle terminations. The fault experiences a slip rate of approximately 2-2.5 cm/year. Being situated in the “Pacific Ring of Fire” the country is vulnerable to frequent earthquakes and volcanic eruptions. Tightly linked to these risks is the threat of landslides which is significant especially in the country’s northern regions.</p> <p>The shaking of the ground from earthquakes loosen the top soil. Landslip is directly caused by the earthquake. However, some areas in the Philippines especially in the steep to rolling terrain, like in the Cordilleras and other uplands, the trigger to cause landslides is heavy rainfall.</p>
<b>Tropical Cyclones.</b>	The number of TCs entering the Philippine area of responsibility (PAR), and the number of TCs that made landfall, shows a minimal decreasing trend from 1951 to 2015. A slight increasing trend is observed during the period from 1980 to 2015 on the number of very strong TCs. Considering five regional climate model simulations, three of the models suggest a decrease in tropical cyclone frequency is significant, while the two others suggest that no change is expected. TC intensity, however, reveal that four of the models agree in a projected increase, two of which are significant. This is consistent with the IPCC report that the average annual number of TCs in the Western North Pacific is expected to decrease, and that an increase in the frequency of strong TCs in the region is more likely. <sup>102</sup>
<b>Slow Onset Hazard like salt water intrusion</b>	Slow onset hazard like saltwater intrusion in ground water and soil makes the damage incurred incremental, especially near coastal areas. As the salt remains in the rivers and canals and seeps into the groundwater / aquifer, it slowly progresses inland and confronts farmers who will have to make a decision to abandon their farms or find ways to combat it. <sup>103</sup>

<sup>102</sup> A caveat in the projections is that not all possible contributing factors in the development and behaviour of TCs were considered. The model simulations further indicate that the year-to-year variability will remain high in the futures.

<sup>103</sup> Almaden et.al. 2019. “Meso-Level Analysis on Rice-Farmers’ Adaptive Measures for Slow Onset Hazard: The Case of Saltwater Intrusion in the Philippines and Vietnam.” *SEARCA Agriculture and Development Notes 9-2*. SEARCA, College, Los Baños, Laguna, Philippines.

**Attachment 6. Distribution of River Basins in the Philippines**

No	RB Name	Area (km2)	Region/s	Provinces	# Mun/ City	# Bgy
<b>LUZON</b>						
1	Apayao-Abulog River Basin	3,776	(3) CAR, I & II	(4) Cagayan, Apayao, Ilocos Norte & Abra	14	225
2	Cagayan RB	27,493.49	(3) CAR, II & III	(8) Cagayan, Apayao, Kalinga, Mt Province, Ifugao, Isabela, N. Vizcaya, Quirino & Aurora	122	2,459
3	Abra River Basin	4,923.66	(2) CAR & I	(4) Abra, Benguet, Ilocos Sur & Mt Province	47	519
4	Agno River Basin	6,219.66	(4) CAR, I, II & III	(9) Benguet, Tarlac, Pangasinan, Ifugao, Pampanga, Nueva Vizcaya, Mt Province, Nueva Ecija & Zambales	73	1,203
C1	Amburayan, Baroror and Bauang	2,449.61	(2) CAR & I	(3) Benguet, Ilocos Sur & La Union	33	547
5	Pampanga River Basin	10,434	(1) III	(7) N. Vizcaya, N. Ecija, Tarlac, Pampanga, Bulacan, Zambales & Bataan	96	2,109
6	Marikina River Basin	698.26	(3) III, IV-A & NCR	(2) Rizal & Bulacan	15	197
7	Pasig-Laguna de Bay River Basin	4,108.74	(3) NCR, III & IV	(6) Metro Manila, Rizal, Laguna, Quezon, Cavite & Bulacan	95	2,589
C2	Malaking Ilog and Iyam-Dumacaa	1,609.26	(1) IVA	(3) Quezon, Laguna & Batangas	22	662
C3	Alag-Baco, Butas, Caturan-Bucayao, Mag-Asawang Tubig and Pula	2,258	(1) IVA	(2) Occ & Or Mindoro	12	258
C4	Iwahig Penal, Inagawan, Aborlan, Batang-batang, and Malatgao	1,477.97	(1) IVB	(1) Palawan	4	50
8	Bicol River Basin	3,171	(1) V	(3) Camarines Norte, Camarines Sur & Albay	50	963
<b>VISAYAS</b>						
9	Panay River Basin	2,717.92	(1) VI	(3) Iloilo, Capiz & Aklan	29	483
10	Jalaur River Basin	1,503	(1) VI	(1) Iloilo	27	688
11	Iloilo-Batiano River Basin	108.7	(1) VI	(1) Iloilo	7	
12	Ilog-Hilabangan River Basin	2,118.17	(2) VI & VII	(2) Negros Occ & Negros Or	15	156
13	Central Cebu	678.7	(1) VII	(1) Cebu	10	214
C5	Binahaan, Daguitan-Marabong, and Palo	1,256.27	(1) VIII	(1) Leyte	19	380
C6	Catarman, Catubig, and Pambujan	2,102.82	1-VIII	(3) Eastern Samar, Samar & Northern Samar	10	360
<b>MINDANAO</b>						
C7	Ayala, Bolong, Curuan, Manicahan, Tumaga, and Vitali-Taguite	745.43	1-IX	(1) Zamboanga Del Norte	10	360
C8	Dipolog, Dapitan, Aloran, Clarin, Langaran, Oroquieta, and Palilan	1,915.27	2-IX and X	(2) Zamboanga del Norte & Misamis Occidental	25	451
14	Agusan RB	11,936.55	(3) X, XI & XIII	(8) Compostela Valley, Davao Oriental, Davao del Norte, Agusan del Sur, Agusan del Norte, Surigao del Sur, Misamis Oriental, & Bukidnon	45	652

No	RB Name	Area (km2)	Region/s	Provinces	# Mun/ City	# Bgy
15	Tagum-Libuganon River Basin	3,119	(2) XI & XIII	(3) Davao del Norte, Compostela Valley & Agusan del Sur	19	209
16	Tagoloan River Basin	1,373.83	(1) X	(2) Misamis Oriental & Bukidnon	7	102
17	Davao River Basin	1,759.6	(2) X & XI	(2) Bukidnon & Davao del Sur	4	100
18	Cagayan de Oro River Basin	1,373.83	(2) X & XII	(3) Misamis Oriental, Bukidnon & Lanao del Norte	5	1,206
19	Ranao (Agus) River Basin	1,987.08	(2) X & ARMM	(2) Lanao del Norte & Lanao del Sur	39	835
20	Buayan-Malungon River Basin	1,505.09	(2) XI & XII	(4) Davao del Sur, Davao Occidental, Sarangani & South Cotabato	11	68
21	Mindanao RB	20,859.41	(5) ARMM, XIII, XII, XI, & X	(9) S. Cotabato, Sultan Kudarat, Maguindanao, N. Cotabato, Lanao del Sur, Bukidnon, Agusan del Sur, Davao del Norte, Davao del Sur	163	3,891

**Source:** RBCO-DENR. <https://riverbasin.denr.gov.ph/river/executivesummary>

## Attachment 7. Anticipated Impacts of Climate Change

Area of Impact <sup>104</sup>	Description
<b>Food Security</b>	A large proportion of damages from disasters, which are generally climate-related, are borne by agriculture <sup>105</sup> every year. Food production will be adversely affected at certain periods of the year and securing food supplies will be critical. Top food producing provinces are at risk: a) top rice producers and are exposed to greater risks of flooding and typhoons, namely the provinces of Cagayan Valley, Pangasinan, Isabela, Nueva Ecija, Iloilo, and Camarines Sur; and b) food baskets in Mindanao (ie, North Cotabato and Maguindanao) more prone to drought and El Niño.
<b>Water Sufficiency</b>	Due to geographic and seasonal variations, water availability has become time and site- specific, aggravated by the deterioration of water quality due to pollution from untreated domestic sewage, industrial wastewater, agricultural run-offs, and urban run-offs. Changes in water supply and quality due to changing climates are expected to affect food and human security.
<b>Ecological and Environmental stability</b>	Philippine ecosystems have been significantly transformed or degraded, changing more rapidly through large scale conversion of forests and grasslands into cropland, settlements and mining areas, diversion and storage of freshwater behind dams, pollution of rivers and lakes from domestic and industrial effluents, and the loss of mangrove and coral reef areas. Widespread environmental degradation has resulted to endemic species going extinct or greatly endangered.

<sup>104</sup> National Climate Change Action Plan 2011-2028. DENR

<sup>105</sup> From 1990 to 2006, data shows that of the P12.43 billion average annual value of damages to agriculture for the period, 70.3 per cent were caused by typhoons, 17.9 per cent by drought, and 5 per cent by floods.

**Attachment 8. Philippine Laws and SECAP 2021**

Year	Law/Regulation	Features
<b>ESS1: Biodiversity Conservation</b>		
1987	1987 Philippine Constitution	The State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature. The State, subject to the provisions of this Constitution and national development policies and programs, shall protect the rights of indigenous cultural communities to their ancestral lands to ensure their economic, social, and cultural wellbeing.
1916	Republic Act 2590: Act on the protection of game and fish of 1916	Penalizes hunting, wounding, taking, killing, and owning a living or dead, purchasing, offering, selling, transporting, shipping, exporting alive or dead, any bird, fish, shellfish, or mammal included in the protection list, under the provision of the Act, unless issued a permit.
1929	Republic Act 3572: An Act to Prohibit the Cutting of Tindalo, Akle, or Molave Trees, Under Certain Conditions, And to Penalize Violations Thereof of 1929	Prohibits the cutting of tindalo, akle, or molave trees with less than 60 centimeters in diameter and a height of 4 ft from the ground in public forests.
1932	Republic Act 3983: Protection of wild flowers and plants of 1932	Collecting, mutilating, killing, owning, living or dead, purchasing, selling, transporting, shipping, or exporting, alive or dead any protected flowering plants,, fern, orchid, lycopod, or club moss or other wild plants is prohibited under this law.
1932	Republic Act 3915: Providing for the Establishment of National Parks, declaring such Parks as Game Refugees, and for Other Purposes as Amended by Republic Act No. 122 (1947)	All national parks are declared as game refugees and bird sanctuaries shall prohibit the hunting, taking, wounding, killing, selling, etc. of any wild bird or animal in these areas.
1963	Republic Act 3571: An Act to Prohibit the Cutting, Destroying or Injuring of Planted or Growing Trees, Flowering Plants and Shrubs or Plants of Scenic Value Along Public Roads, in Plazas, Parks, School Premises or in Any Other Public	Protects flowers, plants, trees from felling and destruction to ensure climate preservation.

Year	Law/Regulation	Features
	Pleasure Ground of 1963	
1966	Republic Act 4850	An Act Creating the Laguna Lake Development Authority, Prescribing Its Powers, Functions and Duties, Providing Funds Therefor, And for Other Purposes of 1966. The Laguna Lake Development Authority is created to promote, and accelerate the development and balanced growth of the Laguna Lake area and the surrounding provinces, cities and towns
1975	Presidential Decree 705 Revised Forestry Code	Provides the basic principles of forest management and conservation, provision for proper classification, management and utilization of public domain lands to maximize their productivity, and meet the demands of the country's increasing population. The Revised Forestry Code of the Philippines also covers management of industrial tree plantations, tree farms, and agro-forestry farms, and forest protection of swamplands and mangrove forests. This covers special uses of forest resources, such as grazing, wildlife, and recreation and prescribes criminal offences, including unlawful occupation or destruction of forestlands and grazing lands.
1980	Presidential Decree No. 1219 providing for the exploration, exploitation, utilization and conservation of coral resources	The Bureau of Fisheries and Aquatic Resources (BFAR), shall have jurisdiction and responsibility in the exploration, exploitation, utilization and conservation of coral resources existing beneath territorial waters and marine economic zone of the country.
1990	Republic Act 6969: Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990	The Act provides the legal framework to regulate, restrict or prohibit the importation, manufacture, processing, sale, distribution, use, and disposal of chemical substances and mixtures that present unreasonable risk and/or injury to health or the environment; to prohibit the entry, even in transit, of hazardous and nuclear wastes and their disposal into the Philippine territorial limits for whatever purpose; and to provide advancement and facilitate research and studies on toxic chemicals.
1991	Republic Act 7160: Local Government Code of 1991(Section 17)	provinces can enforce forestry laws limited to community-based forestry projects, pollution control law, small-scale mining law, and other laws on the protection of the environment; and mini-hydro electric projects for local purposes.
1991	Republic Act 7076: People's Small-scale Mining Act of 1991	Small-scale mines shall comply to the provisions in this act, including safety rules and regulations
1992	Republic Act 7586: NIPAS Act of 1992	Provides the legal framework for the establishment and management of protected areas in the Philippines. It identified initial components comprising of proclaimed national parks, game refuge and wildlife sanctuaries, nature reserves, wilderness areas, mangrove reserves, watershed reservations, fish sanctuaries, protected landscapes and seascapes.



Year	Law/Regulation	Features
1992	Republic Act 10629: Providing for financial aspects of the Integrated Protected Areas Fund (IPAF) of Republic Act No. 7586	Retention by the Protected Area Management Board is 75 percent of the revenues accumulated to the Integrated Protected Areas Fund (IPAF), established by Section 16 of Republic Act No. 7586, otherwise known as the "National Integrated Protected Areas System Act of 1992".
1992	Republic Act 7279: Urban Development and Housing Act of 1992	For urban biodiversity, this Act provides for the rational use and development of urban land to bring about reduction in urban dysfunction particularly those that adversely affect public health, safety, and ecology
1995	Republic Act 7942: Philippine Mining Act of 1995	All mineral resources in public and private lands within the territory and EEZ of the Republic of the Philippines are owned by the State. It shall be the responsibility of the State to promote their rational exploration, development, utilization, and conservation through the combined efforts of government and the private sector in order to enhance national growth in a way that effectively safeguards the environment and protects the rights of affected communities.
1997	Proclamation 1071: The Balanced Fertilization Strategy of 1997	Promote the Balanced Fertilization Strategy with the Integrated Pest Management and synchronal planting as the country's Integrated Crop Management approach that will safeguard improvement in crop yields and reduce traditional losses from pests and diseases as well as inefficient use of irrigation facilities.
1998	Republic Act 10654: An Act to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing, Amending RA 8550 Philippine Fisheries Code of 1998	State shall ensure the achievement of the following objectives of the fishery sector: Conservation, protection, and sustained management of the country's fishery and aquatic resources; Poverty alleviation and the provision of supplementary livelihood among municipal fisherfolk; Improvement of productivity of aquaculture within ecological limits; Optional utilization of offshore and deep-sea resources; and upgrading of post-harvest technology
2000	Republic Act 9003 Philippine Ecological Solid Waste Management Act	Provides the legal framework for the country's systematic, comprehensive, and ecological solid waste management program that shall guarantee protection of public health and the environment.
2000	Republic Act 8991: Batanes Protected Area Act of 2000	Declares the Batanes Group of Islands and surrounding islets as a Philippine Protected Area, including its peripheral waters as buffer zones.
2000	Republic Act 8978: Mt. Kitanglad Range Protected Area Act of 2000	Declares Mt. Kitanglad Range a protected area.
2001	Republic Act 9147: Wildlife Resources Conservation and Protection Act of 2001	Act stating to conserve, preserve, and protect the wildlife species and their habitats in order to preserve and encourage ecological balance and biological diversity.
2001	Republic Act 9147 Wildlife Resources	This law aims to conserve and protect wildlife species and their habitats for sustainability. It provides the conditionalities for the collection, possession, transport,

Year	Law/Regulation	Features
	Conservation and Protection Act	export and/or import, registration, and introduction, reintroduction or restocking of wildlife species. It also lays down the basic requirements for the use of wildlife resources for bioprospecting, scientific researches, and commercial undertakings as well as for botanical and zoological parks purposes. Enables legislation for the implementation of the rules and regulations of the CITES in the country.
2001	Republic Act 9072: National Caves and Cave Resources Management and Protection Act	Law that mandates the DENR to formulate, develop, and implement a national program for the management, protection, and conservation of caves and cave resources. The National and Regional Cave Committees oversee the implementation of the Act and its support policies.
2001	Republic Act 9154: Mt. Kanla-on Natural Park (MKNP) Act of 2001	Declaring Mt. Kanla-on in Bago, La Carlota and San Carlos and La Castellana and Murcia as a protected area under the category of natural park according to NIPAS Act.
2001	Republic Act 9125: Northern Sierra Madre Natural Park (NSMNP) Act of 2001	Declaring the Northern Sierra Madre Mountain Range to be a protected area and its peripheral areas to be buffer zones in order to ensure the protection and conservation of biodiversity.
2001	Republic Act 9072: National Caves and Cave Resources Management and Protection Act of 2001	Conservation, protection, and management of caves and cave resources in the country as part of the country's natural wealth.
2002	Republic Act 9175: Chain Saw Act of 2002	The State shall regulate the ownership, possession, sale, transfer, importation and/or use of chain saws to prevent them from being used in illegal logging or unauthorized clearing of forests.
2004	Sustainable Forest Management (EO 318, s. 2004)	Promotes sustainable forest management in the Philippines
2004	Republic Act 9275: Philippine Clean Water Act of 2004	The law aims to protect the country's water bodies from land-based pollution sources (industries and commercial establishments, agriculture, and community/household activities). It provides for a comprehensive and integrated strategy to prevent and minimize pollution through a multi-sectoral and participatory approach involving all the stakeholders. Anyone discharging wastewater into a water body will have to pay a wastewater charge. This economic instrument will encourage investments in cleaner production and pollution control technologies to reduce the amount of pollutants generated and discharged.
2004	Sustainable Forest Management (EO 318, s. 2004)	Pursues sustainable managements of forests and forestlands in watershed through Community-Based Forest Management (CBFM) as the primary strategy in all forest conservation and development and related activities including joint ventures, production sharing, and co-production. It also provides for the proper

Year	Law/Regulation	Features
		valuation and pricing of forestry resources and financing sustainable forest management.
2006	Executive Order No. 510	Mandates the River Control Office under DENR to rationalize various river basin projects such as, but not limited to the following; The Pasig River Rehabilitation, KAMANAVA flood control, Agno River, and Allied River Basin Flood Control, and to promote and advocate an integrated river basin management to ensure the protection of the environment and people against flood and natural hazards.
2006	Republic Act 9367: Biofuels Act of 2006	Has provision on the reduction of the country's dependence on imported fuels with regard to protection of public health, environment, and natural ecosystems consistent with the country's sustainable economic growth.
2007	Republic Act 9494: Mimbilisan Protected Landscape Act of 2007	States that Mimbilisan watershed is a protected area and provides for the preservation of its biological diversity and for the sustainable use of its resources.
2007	Republic Act 9486: Central Cebu Protected Landscape (CCPL) Act	Has provisions on the protection, conservation, maintenance, rehabilitation, and sustainable development of Central Cebu Protected Landscape (CCPL).
2008	Republic Act 9512: Environmental Awareness and Education Act of 2008	Environmental education on environmental awareness covering the integration of such in the school curricula at all levels, be it public or private, including day care, preschool, non-formal, technical, vocational, indigenous learning, and out-of-school youth courses or programs. It also declares November as the Environmental Awareness Month in the Philippines.
2009	Executive Order No. 816: Declaring the River Basin Control Office Under the Department of Environment and Natural Resources as the Lead Government Agency for the Integrated Planning, Management, Rehabilitation and Development of the Country's River Basins	<p>The Regulation the River Basin Control Office (RBCO) under DENR is authorized as the oversight agency for all government efforts and initiatives within the country's river basins. Declares the River Basin Control Office under the Department of Environment and Natural Resources as the lead government agency for integrated planning, management, rehabilitation, and development of the country's river basins.</p> <p>By this Executive Order, the River Basin Control Office (RBCO) under the Department of Environment and Natural Resources (DENR) is mandated as the oversight agency for all government efforts and initiatives within the country's river basins</p>
2009	Republic Act 10067: Tubbataha Reefs Natural Park (TRNP) Act of 2009	Has provisions on the protection of Tubbataha Reefs and the Jessie Beazley Reef in the Province of Palawan and its resources.
2009	Republic Act 98471: Mount's Banahaw-San Cristobal Protected Landscape (MBSCPL) Act of 2009	Has provisions on the protection and conservation of Mount's Banahaw and San Cristobal as a protected area.

Year	Law/Regulation	Features
2010	Republic Act 10068: Organic Agriculture Act of 2010	Provisions on the following: 1) policy formulation on regulation, registration, accreditation, certification, and labeling on organic agriculture; 2) research, development, and extension of appropriate sustainable environment and gender-friendly organic agriculture; 3) promotion and encouragement of the establishment of facilities, equipment, and processing plants that would accelerate the production and commercialization of organic fertilizers, pesticides, herbicides, and other appropriate farm inputs; and 4) implementation of organic agricultural programs, projects, and activities, including the provision and delivery of support services with focus on the farmers and other stakeholders.
2010	Republic Act 10121: Philippine Disaster and Risk Reduction Management Act of 2010	Mainstreams disaster risk reduction and climate change in development processes such as policy formulation, socioeconomic development planning, budgeting, and governance, particularly in the areas of environment, agriculture, water, energy, health, education, poverty reduction, land use and urban planning, and public infrastructure and housing.
2012	Republic Act 9729: Climate Change Act of 2009 as amended by People's Survival Fund (RA 10174 of 2012)	An objective is to systematically integrate the concept of climate change in the policy formulation and development plans of all government agencies and units, to the end that the government will be ready for the impact of climate change. It offers long-term finance streams to enable the government to effectively address the problem of climate change.
2013	Republic Act 10631: Amended Animal Welfare Act of 2013	The purpose is to protect and promote the welfare of all terrestrial, aquatic, and marine animals in the Philippines by supervising and regulating the establishment and operations of all facilities utilized for breeding, maintaining, keeping, treating or training of all animals either as objects of trade or as household pets including birds.
<b>ES2: Resource Efficiency And Pollution Prevention</b>		
1987	1987 Philippine Constitution	The State is to ensure the sustainable utilization, development, management, renewal, and conservation of the Philippine's forests, mineral, land, off-shore area, and natural resources through the protection and enhancement of the quality of the environment and managed access to these resources.
1987	1987 Philippine Constitution	The State is to ensure the sustainable utilization, development, management, renewal, and conservation of the Philippine's forests, mineral, land, off-shore area, and natural resources through the protection and enhancement of the quality of the environment and managed access to these resources.
1929	Republic Act 2874: Public Land Act of 1919, amended last 1929, as amended by Act was amended by Acts Nos. 3164, 3219, 3346, and	Accelerates the disposition of public agricultural lands to Filipinos through the systems of land classification and increasing the estate area from 16-24 hectares.

Year	Law/Regulation	Features
	3517 of 30 January 1929	
	Republic Act 622: Creating the Bureau of Soil Conservation, defining its powers, duties and functions	All soil works of the government to the Bureau of Soil Conservation. The Bureau of Soils shall study properties of soils in the fields, conduct inspection and survey, classifying and mapping soils, etc.
1964	Republic Act 3931: An Act Creating the National Water and Air Pollution Control Commission of 1964	An act creating the National water and air pollution control commission. This is one of the Philippine Environmental Laws that was enacted by the senate and house of representatives of the Philippines in congress on the 18th of June of 1964.
1975	Presidential Decree No. 856 Sanitation Code of the Philippines	Provides standards for drinking water, food and other business establishments, industrial hygiene, schools, health services, slaughterhouse, markets, transport vehicles, terminals, and other service stations, and housing areas and infrastructures among many others. It regulates nuisances (anything that injures health, endangers life, offends senses, or produces discomfort to the community), and activities concerning dead persons, their memorial, and remains. It also regulates pollution not covered in the above-mentioned places like that caused by certain substances, radiation, noise, and biological pollutants among others.
1976	Presidential Decree No. 979: Marine Pollution Decree of 1976	A policy that illegalizes dumping of wastes and hazardous matter into Philippine oceans and inland waters unless stated otherwise by the National Pollution Control Commission or Philippine Coast Guard
1976	Presidential Decree No. 1067: A Decree Instituting A Water Code, Thereby Revising and Consolidating the Laws Governing the Ownership, Appropriation, Utilization, Exploitation, Development, Conservation and Protection of Water Resources	Owners of land where the water is found may use the same for domestic purposes without securing a permit, provided that such use shall be registered, when required by the Council. The Council, however, may regulate such use when there is wastage, or in times of emergency.
1977	Presidential Decree. No. 1151: Philippine Environmental Policy of 1977	Establishes a program for environmental protection through the requirements of environmental impact assessments and statements for every project which may significantly affect the environment.
1976	Presidential Decree No. 1067: Water Code of the Philippines	The National Water Resources Board govern the ownership, allocation, control, utilization, conservation, and overall administration of all waters and their resources in the Philippines. Filipinos must acquire a water permit before to use or appropriate Philippine waters.

Year	Law/Regulation	Features
1976	Presidential Decree No. 984: National Pollution Control Decree of 1976	It is the duty of the state to prevent, decrease, and control pollution of water, air, and land for its effective utilization of resources
1977	Presidential Decree No. 1144 of 1977 Creating the Fertilizer and Pesticide Authority and Abolishing the Fertilizer Industry Authority and Regulating the Fertilizer and Pesticide Use	The PD merged the fertilizer and pesticide industries under the Fertilizer and Pesticide Authority (FPA). It also states the functions and responsibilities of FPA.
1978	Presidential Decree No. 1515 of 1978 Vesting the Jurisdiction and Control Over Watershed Reservations In The Ministry of Energy And For Other Purposes	The Ministry of Energy may exercise its powers, functions, and responsibilities over watershed areas and reservations through the National Power Corporation (NPC) or such other government agencies or instrumentalities as are attached to or otherwise placed under the Ministry of Energy.
1990	Republic Act 6969: Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990	The importation, manufacturing, processing, selling, distribution, utilization, and disposal of substances that pose unreasonable risk/ injury to the health of people and the environments are prohibited
1991	Republic Act 7160: Local Government Code of 1991(Section 17)	provinces can enforce forestry laws limited to community-based forestry projects, pollution control law, small-scale mining law, and other laws on the protection of the environment; and mini-hydro electric projects for local purposes.
1995	Republic Act 8041: National Water Crisis Act of 1995	The national government shall adopt urgent and effective measures to answer the nationwide water crisis which adversely affects the health and well-being of the population, food production, and industrialization process
1999	Republic Act 8749: Philippine Clean Air Act of 1999	This act establishes a national program to manage air pollution focusing on pollution prevention.
2000	Republic Act 9003: Ecological Solid Waste Management Act of 2000	Establishes a nation-wide ecological solid waste management program and proper segregation, collection, transport, recycling, and composting of wastes in the country.
2004	Philippine Clean Water Act of 2004 (RA 9275)	The law aims to protect the country's water bodies from land-based pollution sources (industries and commercial establishments, agriculture, and community/household activities). It provides for a comprehensive and integrated strategy to prevent and minimize pollution through a multi-sectoral and participatory approach involving all the stakeholders. Anyone discharging wastewater into a water body will have to pay a



Year	Law/Regulation	Features
		wastewater charge. This economic instrument will encourage investments in cleaner production and pollution control technologies to reduce the amount of pollutants generated and discharged.
2004	Republic Act 9295: Domestic Shipping Development Act of 2004	Establishes requirements for operating domestic shipping in the maritime water under the jurisdiction of the Philippines
2007	Republic Act 9483: Oil Pollution Compensation Act of 2007	Has provisions for the country to adopt international measures imposing strict liability for oil pollution damage in order to protect the Philippine's marine wealth under its jurisdiction.
<b>ESS3: Cultural Heritage</b>		
1987	1987 Philippine Constitution	<p>The Constitution presents that the State has the responsibility to preserve and protect the environment whilst also protecting the right and development of the Filipino citizens, give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development, foster the preservation, enrichment, and dynamic evolution of a Filipino national culture based on the principle of unity in diversity in a climate of free artistic and intellectual expression,</p> <p>conserve, promote, and popularize the nation's historical and cultural heritage and resources, as well as artistic creations, and recognize, respect, and protect the rights of indigenous cultural communities to preserve and develop their cultures, traditions, and institutions. It shall consider these rights in the formulation of national plans and policies.</p> <p>All of the country's artistic and historic wealth constitutes the cultural treasure of the nation and shall be under the protection of the State.</p> <p>The Constitution states that the "State shall</p>
1973	Presidential Decree No. 260. s. 1973: Declaring National Cultural Treasures, National Shrines, Monuments and/or Landmarks	Presents a list of places in the Philippines considered to be as national shrines, monuments and landmarks. These places shall be protected and preserved for the correct understanding of history and culture and continuance of the Filipino culture
1974	Presidential Decree No. 374 (Amending Certain Sections of RA No. 4846)	cultural properties are in need of preservation and protection and to safeguard their value.
1975	Presidential Decree No. 812: Decree on Legal and Cultural Deposit	The acquisition, organization and preservation of the country's intellectual and cultural heritage is a prime duty of the State and the cultural heritage of the Filipino nation is manifested in, among others, a comprehensive national bibliography, the principal basis of which are the published and printed materials on legal deposit.

Year	Law/Regulation	Features
1978	Presidential Decree No. 1505: Amending Presidential Decree No. 260	As Amended, By Prohibiting the Unauthorized Modification, Alteration, Repair and Destruction of Original Features of All National Shrines, Monuments, Landmarks and Other Important Historic Edifices; Prohibits the unauthorized modification, alteration, repair and destruction of original features of all national shrines, monuments, landmarks and other important historic edifices.
1991	Republic Act No. 7160: Local Government Code Section 16.	Local government units shall ensure and support, among other things, the preservation and enrichment of culture..." The national government agencies are to consult the local government units, nongovernment organizations, and other sectors concerned especially if the project have significant impacts on the environment and explain the possible impacts and their plans for the project and to conduct periodic consultations with stakeholders.
1992	Republic Act No. 7586: National Integrated Protected Areas System Act of 1992	Shall secure Filipino people of present and future generations the perpetual existence of all native plants and animals through the establishment of a comprehensive system of integrated protected areas within the classification of national.
1995	RA 7942: Philippine Mining Act	In compliance with the PEISS, the EIA System specifically covers - Sites of Archaeological, Historical or Scientific Interest - with reference to RA 10066 "National Cultural Heritage Act". With respect to ancestral domains, mining activities shall not be allowed without the consent from the ICCs. NGOs are encouraged and allowed to participate to ensure contractors have all the requirements.
1997	Republic Act 8371: Indigenous Peoples Rights Act (IPRA)	This is a national law that safeguards and recognizes the rights of ICCs/IPs through the respect of their culture and traditional systems and ancestral domains. The defacing, removing or simply destroying of artifacts which are of great importance to the IPs is deemed unlawful as this should be for the preservation of their cultural heritage.
1998	Republic Act 8492: National Museum Act of 1998	It establishes the National Museum as an academic, cultural and scientific institution responsible for collecting, studying, preserving, maintaining, administering and exhibiting to the public the cultural materials, objects of art, archaeological artifacts, ecofacts, relics and other materials representing the cultural and natural heritage of the Filipino nation, as well as those of foreign origin.
2001	Republic Act No. 9147: The Conservation and Protection of Wildlife Resources and their Habitats Act of 2001	Allows the collection of wildlife by IPs for traditional use and not primarily for trade.
2007	Republic Act 9470: National Archives of	Established the National Archives of the Philippines that archives will be stored, preserved, conserved and made available to the public. It is mandated to collect, store,



Year	Law/Regulation	Features
	the Philippines Act of 2007	preserve and make available archival records of the Government and other primary sources pertaining to the history and development of the country and tasked to formulate and implement the records schedule and vital records protection programs for the government.
2009	Republic Act: 10086: Strengthening Peoples' Nationalism through Philippine History Act	<p>The national government shall conserve, promote and popularize the nation's historical and cultural heritage and resources through any means.</p> <p>The NHCP is the primary government agency responsible for history and has the authority to determine all factual matters relating to official Philippine history.</p>
2009	Republic Act: 10066: National Cultural Heritage Act of 2009	Provisions for the conservation and protection of the national cultural heritage, strengthening the National Commission for Culture and the Arts (NCCA) and its affiliated cultural agencies. The country's cultural properties are for conservation, documentation and preservation. Provisions also state the protection of the cultural and historical integrity of a cultural heritage zone. Any cultural or historical property is discovered, all activities shall be suspended by the National Historical Institute and notify the local government unit that has jurisdiction of where the discovery was made. It also stipulates the measures the concerned LGU shall undertake. Incentives for people who discover and report unknown archaeological sites will be provided with incentives.
2017	Republic Act No. 10924: General Appropriations Act 2017	Programs, activities and projects of agencies stated in National Cultural Heritage Act of 2009 with the National Commission for Culture and the Arts to ensure that their respective responsibilities under R.A. No. 10066 are implemented. Provisions on protection of built heritage, cultural properties and cultural landscapes, and alteration, renovation or demolition of heritage buildings and open spaces.
2019	Republic Act No. 11333: National Museum of the Philippines Act	The National Museum shall be the primary institution of the State for the management and development of museums and collections of national scope or significance in the areas of arts, cultural heritage and natural history, for purposes of protecting, preserving, studying and promoting the national patrimony for the benefit of current and future generations, supporting education and social progress, and contributing to economic development through tourism and educational, scientific, cultural and leisure services and industries. It shall be a permanent institution in the service of the entire national community and its development, accessible to the public, and not intended for profit.
<b>ESS4: Indigenous Peoples</b>		
1987	The 1987 Philippine Constitution	The State recognizes, promotes, protect, and respect the rights of indigenous cultural communities within the framework of national unity and development

Year	Law/Regulation	Features
1975	Presidential Decree 705: Revised Forestry Code of the Philippines	Tribes are entitled to rights of ownership and possession existing at the time a license is granted under this Code. Possession include places of abode and worship, burial grounds, and old clearings, but excludes production forest inclusive of logged-over areas, commercial forests and established plantations of forest trees and trees of economic value.
1976	Presidential Decree No. 1067	A Decree Instituting A Water Code, Thereby Revising and Consolidating the Laws Governing the Ownership, Appropriation, Utilization, Exploitation, Development, Conservation and Protection of Water Resources; Owners of land where the water is found may use the same for domestic purposes without securing a permit, provided that such use shall be registered, when required by the Council. The Council, however, may regulate such use when there is wastage, or in times of emergency.
1977	Presidential Decree 1083: Code of Muslim Personal Laws of the Philippines	Muslim law shall be recognized by the State during formulation and implementation of state policies.
1977	Presidential Decree 1151: Philippine Environmental Policy	The Government with concerned private organizations and entities shall use all practicable means, consistent with other essential considerations of national policy, in promoting the general welfare of the nation without compromising the environment and its current and future citizens.
1978	Presidential Decree 1586, or the Philippine Environmental Impact Statement System (1978)	Under the Philippine EIS System in 1978, environmentally critical projects (ECPs) and projects within environmentally critical areas (ECAs) need an Environmental Impact Statement (EIS). IP areas are considered as ECAs.
1988	Republic Act 6657 of 1988: Comprehensive Agrarian Reform Law (CARL)	States that the rights of the IP to their ancestral domain/land must prevail over that of the farmer. Leasing of undeveloped lands on the public domain to qualified entities for the development of capital-intensive farms and traditional and pioneering crops, especially those for export, prior rights of IPs to their ancestral lands shall likewise be respected (Section 2, par. 12). The preeminence of lands that have come under the operation of the Torrens System of titling as against ancestral domains/lands so in case of conflict between ancestral domains/lands and Torrens titles, CARL will settle in favor of the titled lands
1991	Republic Act 7160: The Local Government Code of 1991	IPs may establish tribal barangays as similarly recognized by the IPRA in barangays where majority of the inhabitants are members of indigenous cultural communities, local systems of settling disputes through their councils of datu or elders shall be acknowledged without prejudice to the applicable provisions of this Code. The customs and traditions of ICCs shall be applied in settling disputes between members of the cultural communities.

Year	Law/Regulation	Features
1992	Republic Act No. 7610 of 1992: An Act Providing for Stronger Deterrence and Special Protection Against Child Abuse, Exploitation and Discrimination, And For Other Purposes	Situations that gravely threaten or endanger the survival and normal development of children" include being a member of an indigenous cultural community and/or living under conditions of extreme poverty or in an area which is under developed and/or lacks or has inadequate access to basic services needed for a good quality of life therefore this act addresses these concerns. Article IX discusses the protection, survival and development of children based on their respective customs and traditions.
1995	Republic Act 7942: The Philippine Mining Act of 1995	Requires IPs' free and prior informed consent for proposed mining projects in IP areas.
1997	Republic Act 8293: Intellectual Property Code of the Philippines	intellectual and industrial properties shall protect and secure the exclusive rights of scientists, inventors, artists and other gifted citizens to their intellectual property and creations.
1997	Republic Act 8371: Indigenous Peoples Rights Act (IPRA)	The national law that safeguards and recognizes the rights of ICCs/IPs with the respect of their culture and traditional systems and ancestral domains. It also states the creation of the National Commission on Indigenous Peoples wherein it shall be a government agency responsible for establishing implementing mechanisms, appropriating funds therefor, and for other purposes.
2001	Republic Act 9147: The Conservation and Protection of Wildlife Resources and their Habitats Act	IPs collection of wildlife is permitted as long as it is for traditional use and not for trade.
2010	Republic Act No. 10121: Philippine Disaster Risk Reduction and Management Act	State shall ensure that disaster risk reduction and climate change measures are gender responsive, sensitive to indigenous knowledge systems, and respectful of human rights.
2010	Republic Act 9710: Magna Carta of Women (2010)	The State shall observe international standards for the protection of the civil population in circumstances of emergency and armed conflict. Women will not be forced, especially indigenous people, to abandon their lands, territories, and means of subsistence, or relocate them in special centers for military purposes under any discriminatory condition as well as ensuring decent work standards even on the respect of cultural practices of indigenous peoples in the workplace.
2018	Republic Act No. 11038: Expanded National Integrated Protected Areas System Act	The Expanded NIPAS (ENIPAS) covers the acknowledgement of territories and areas occupied and conserved by ICCs/IPs specifically on ancestral domains and customary rights
2018	Republic Act No 11054: Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao	With the passing of the Bangsamoro Organic Law, the government established the Bangsamoro Transition Commission (BTC) that would of Commissioners which includes representatives from the Indigenous People's Community,
<b>ESS5: Labor and Working Conditions</b>		

Year	Law/Regulation	Features
1987	The 1987 Philippine Constitution	The State supports labor as a primary social economic force so it shall protect the rights of workers and promote their welfare. It shall also regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth.
1949	Republic Act No. 386: Civil Code	Subjects employers to pay compensation for the death and/or injuries, and illness of laborers, workmen, mechanics, and other employees even if accidental or any death during the course of being employed. Compensation will be equitably reduced depending on the accountable party.
1974	Presidential Decree No. 442, as amended: Labor Code of the Philippines	This is the main employment statutes and regulations in the Philippines.
1988	Republic Act 6727: Wage Rationalization Act of 1988	Establishes the National Wages and Productivity Commission with the Regional Tripartite Wages and Productivity boards to fix minimum wages in the country.
1992	Republic Act 7277: Magna Carta for Persons with Disability	People with disabilities that are qualified shall be subject to the same terms and conditions of employment as with an able-bodied person.
1995	Republic Act No. 7877: Anti-Sexual Harassment Act	Provisions that any sexual harassment in the workplace is prohibited
1995	Republic Act 8042: Migrant Workers and Overseas Filipinos Act of 1995	The national government shall ensure the rights of Filipino migrant workers in other countries.
1997	Republic Act No. 8371: Indigenous Peoples' Rights Act	Discrimination against IPs with respect to employment and recruitment is prohibited as stated in the law.
1997	Republic Act No. 8293: Intellectual Property Code	Patent rights for inventions made by employees as a result of "performance of his regularly assigned duties" shall be under the employer unless there is an agreement opposing the latter.
2000	Republic Act 8972: Solo Parents' Welfare Act	Prohibits employers from discriminating solo parent employees on terms conditions of employment.
2003	Republic Act No. 9231: Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act of 2003	Protects children against child abuse, exploitation, and discrimination including child labor
2010	Republic Act No. 9710: Magna Carta of Women	Prohibits any discrimination against women and imposes liabilities on any person responsible for such discrimination

Year	Law/Regulation	Features
2012	Republic Act 10173: Data Privacy Act of 2012	Protects employees on the processing of their personal information unless given the permission by the employees.
2013	Republic Act No. 10361: Domestic Workers Act	Protects the welfare of any domestic workers
2016	Republic Act No. 10869: JobStart Philippines Act	Shortens youth's school to work transition through the enhancement of skills and knowledge acquired in formal education or technical training by jobseekers.
2016	Republic Act 10911: Anti-Age Discrimination in Employment Act	Prohibits any discrimination in relation to age.
2018	Republic Act No. 11166: Philippine HIV and AIDS Policy Act	Prohibit employers rejecting, terminating, and implementing discriminatory policies on individuals on the basis of actual and perceived HIV status.
2018	Republic Act No. 11036: Mental Health Act	Employers are subjected to develop policies and programs on mental health the workplace to raise awareness on mental health issues, remove stigma around mental health condition, and identify and provide support for employees at risk and facilitate access to treatment and support
2018	Republic Act No. 11058 titled 'An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof	Enforces the application of the provisions under the Occupational Safety and Health Standards (OSH Standards) of DOLE.
2022	Republic Act (RA) 11861 or the Expanded Solo Parent's Act	The Act covers solo parents who exercise sole parental care and support of the child or children, whereby the occasional assistance and/or gifts from the co-parent that do not meet the legal requirement for support under the Family Code, will not remove the solo parent from the Act's scope.
2018	Republic Act 11199: Social Security Act of 2018	Provides provisions on retirements benefits, death and funeral benefits, sickness benefit, permanent disability benefit, maternity leave benefits, and loans under the Social Security System (SSS), unemployment insurance or involuntary separation benefits.
2019	Republic Act No. 11210: Expanded Maternity Leave Law	Ensures maternity leave benefits to female workers. This law is over and above the Paternity Leave Act (Republic Act No. 8187. For cases due to miscarriage and emergency termination, the female employees shall be allowed to 60 days of maternity leave with full pay.
<b>ESS6: Community Health and Safety</b>		
1987	The 1987 Philippine Constitution	The State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.
1977	Presidential Decree No. 1096 (National Building Code of the	The State shall safeguard life, health, property, and public welfare, consistent with the principles of sound environmental management and control.

Year	Law/Regulation	Features
	Philippines, February 1977	
1977	Presidential Decree. No. 1151, Philippine Environmental Policy of 1977	It regulates nuisances (anything that injures health, endangers life, offends the 5 senses, or produces discomfort to the community), and events or activities concerning dead persons, their funeral, and remains
1978	Presidential Decree 1586 Philippine EIS System	The PEISS requires all projects to undergo EIA studies and reviews if it has potential significant environmental impacts were categorized either as environmentally critical or located in environmentally critical areas. Mitigating actions should follow.
1990	Republic Act 6969: Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990	Importation, manufacturing, processing, sale, distribution, use, and disposal of substances that pose an unreasonable risk and/or injury to the health of the people and the environment are prohibited under this Act.
1991	Republic Act 7076: People's Small-scale Mining Act of 1991	Small-scale mines shall comply to the provisions in this act, including safety rules and regulations
2013	Republic Act 10606: National Health Insurance Act of 2013	mandatory health care and ensures coverage of the marginalized by prioritizing health care needs of the underprivileged, sick, elderly, persons with disabilities (PWDs), women and children and provide free health care services to indigents.
2018	Republic Act 11058: Occupational Safety and Health (OSH) Law of 2018	Enforces the application of the provisions under the Occupational Safety and Health Standards (OSH Standards) of DOLE.
2018	RA 11223 or the Universal Health Care Act	Mandates the institutionalization of health technology assessment (HTA) as a fair and transparent priority setting mechanism that shall be recommendatory to the DOH and PhilHealth for the development of policies and programs, regulation, and the determination of a range of entitlements such as drugs, medicines, pharmaceutical products, other devices, procedures and services.
<b>ESS7: Physical and Economic Resettlement</b>		
1987	The 1987 Philippine Constitution	No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the qual protection of the laws. Private property shall not be taken for public use without just compensation. The state shall protect the rights of ICCs to their ancestral lands. Urban or rural poor dwellers shall not be evicted nor their dwellings demolished, except in accordance with law and in a just and humane manner.
1936	Commonwealth Act 141- Public Lands Act of 1936	Has provisions on the modes of acquisition the government can go through depending on the landowner's patent
1949	Republic Act 386: Civil Code of the Philippines of 1949	Stipulates methods for acquiring and extinguishing easements or bondages. Civil Code is related to ROW acquisition when the national government can require easements due to new public infrastructure. It can impose restrictions to owners (i.e. the servient estate)



Year	Law/Regulation	Features
		on land use, as the owner is required to allow perpetual use of portions of his/her land for public purpose.
1971	Republic Act 6389: Code of Agrarian Reforms of the Philippines of 1971	Entitled to disturbance compensation equivalent to five times the average gross harvests on his/her landholding during the last five preceding calendar years
1977	Presidential Decree No. 1096	National Building Code of the Philippines, February 1977; to safeguard life, health, property, and public welfare, consistent with the principles of sound environmental management and control. To this end, in addition, the Decree aims to provide for all buildings and structures, a framework of minimum standards and requirements to regulate and control their location, site, design, and quality of materials, construction, use, occupancy, and maintenance.
1985	Executive Order 1035	Procedures and Guidelines for the Expeditious Acquisition by the Government of Private Real Properties or Rights thereon for Infrastructure and Other Government Development Projects. June 1985; provides the procedures and guidelines for expeditious acquisition by the government of private real properties or rights thereon for infrastructure and other government development projects.
1992	Republic Act 7279: Urban Development and Housing Act of 1992	The Urban Development and Housing Act mandates the provision of a resettlement site, basic services and safeguards for the homeless and underprivileged citizens.
1992	Republic Act 7277: Magna Carta for Persons with Disability of 1992	grants persons with disability(PWDs) the rights and privileges to rehabilitation, self-development, and self-reliance
2010	Republic Act 9994: Expanded Senior Citizens Act of 2010	The Act grants additional benefits and privileges to senior citizens to maximize the contribution of senior citizens for nation-building
2016	Republic Act 10752: The Right-of-Way Act of 2016	Facilitates the acquisition of Right-Of-Way site or location for national government infrastructure projects which states that the private property shall not be taken for public use without just compensation. It ensures that all persons whose real property is affected by national government infrastructure projects are promptly paid just compensation for the speedy acquisition of the required right-of-way (ROW).
2019	Republic Act 11201: Department of Human Settlements and Urban Development Act of 2019	Specifies the creation of the Department of Human Settlements and Urban Development (DHSUD) with the intention of consolidating the Housing and Urban Development Coordinating Council (HUDCC) and the HLURB. The DHSUD is the sole and main planning and policymaking, regulatory, program coordination, and performance monitoring entity for all housing, human settlement, and urban development concerns, primarily focusing on the access to and the affordability of basic human needs
<b>ESS8: Financial Intermediaries and Direct Investments</b>		

Year	Law/Regulation	Features
1987	The 1987 Philippine Constitution	The State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.
1978	Presidential Decree 1586 Philippine EIS System	The PEISS requires all projects to undergo EIA studies and reviews if it has potential significant environmental impacts were categorized either as environmentally critical or located in environmentally critical areas.
1998	Republic Act 8556: Financing Company Act of 1998	Provides various criteria, process, and requirements for establishing a financing company in the country
2009	Republic Act 9679: Home Development Mutual Fund Law of 2009	The Pag-IBIG Fund is a mutual provident savings system, intended for shelter financing among its members.
<b>ESS9: Climate Change</b>		
1987	The 1987 Philippine Constitution	The State shall adopt a principle of protecting the climate system in the country for the benefit of its people on the basis of climate justice or common but differentiated duties and the Precautionary Principle to guide decision-making in climate risk management
1999	Republic Act 8749: Philippine Clean Air Act Of 1999	This act establishes a national program to manage air pollution focusing on pollution prevention.
2004	Republic Act 9003: Philippine Ecological Solid Waste Management Act of 2000	Provides the legal framework for the country's systematic, comprehensive, and ecological solid waste management program that shall guarantee protection of public health and the environment.
2004	Republic Act 9281: Amending Republic Act No. 8435 on Agriculture and Fisheries Modernization of 2004	This act aims to transform the fishing sector into a technology-based based industry from a resource-based one. As amended, all enterprises engaging in agriculture and fisheries on the import of all types of agricultural and fisheries inputs, equipment's, and funds to supports the modernization are entitled to tax incentives.
2004	Republic Act 9275: Philippine Clean Water Act of 2004	The law aims to protect the country's water bodies from land-based pollution sources (industries and commercial establishments, agriculture, and community/household activities). It provides for a comprehensive and integrated strategy to prevent and minimize pollution through a multi-sectoral and participatory approach involving all the stakeholders. Anyone discharging wastewater into a water body will have to pay a wastewater charge. This economic instrument will encourage investments in cleaner production and pollution control technologies to reduce the amount of pollutants generated and discharged.
2008	Republic Act 9513: The Renewable Energy Act of 2008	Set-ups the framework for the development acceleration and advancement of renewable energy resources and development of a strategic program for the increase of its utilization
2008	Republic Act 9512: Environmental Awareness and Education Act of 2008	Environmental education on environmental awareness covering the integration of such in the school curricula at all levels, be it public or private, including day care, preschool, non-formal, technical, vocational, indigenous



Year	Law/Regulation	Features
		learning, and out-of-school youth courses or programs. It also declares November as the Environmental Awareness Month in the Philippines.
2010	Republic Act 10121: Philippine Disaster and Risk Reduction Management Act of 2010	State shall ensure that disaster risk reduction and climate change measures are gender responsive, sensitive to indigenous knowledge systems, and respectful of human rights.
2012	Republic Act 9729: Climate Change Act of 2009 as amended by People's Survival Fund (RA 10174 of 2012).	Contains provisions of integrating disaster risk reduction measures into climate change development, plans, and poverty reduction programs.
2014	Executive Order No. 174	Institutionalizing the Philippine Greenhouse Gas Inventory Management and Reporting System. The PGHGIMRS aims to establish the GHG inventory management and reporting system in some government agencies.
2010	Executive Order No. 881	<p>Authorizing the Climate Change Commission to Coordinate Existing Climate Change Initiatives, Reducing Emissions from Deforestation and Forest Degradation – Plus, and other Similar Mechanisms</p> <p>The CCC shall include in its scope of work the coordination of plans in relation to Reducing Emissions from Deforestation and Forest Degradation (REDD+) and other similar mechanisms</p>
2009	Executive Order No. 785	Mandating the Presidential Task Force on Climate Change to Develop the National Climate Change Framework, Directing the Task Group on Information to Develop and Coordinate a National Information, Education and Communications Program, and Directing the Presidential Adviser on Climate Change to Review Government Climate Change Programs and Official Development Assistance Projects

**Attachment 9. International instruments observed by the Philippines**

International Instrument	Details
Convention on Biological Diversity (CBD)	<ul style="list-style-type: none"> <li>• Signed 8 October 1993</li> <li>• biodiversity targets were also incorporated into the Philippine Development Plan</li> </ul>
Convention on Wetlands of International Importance (RAMSAR)	<ul style="list-style-type: none"> <li>• entered into force on 8 November 1994</li> <li>• 8 sites designated as Wetlands of International Importance (Ramsar Sites), with a surface area of 247,684 hectares</li> </ul>
Cartagena Protocol	<ul style="list-style-type: none"> <li>• Ratified 5 October 2006</li> </ul>
Nagoya Protocol	<ul style="list-style-type: none"> <li>• Acceded 19 September 2015</li> </ul>
UNESCO World Heritage Convention	<ul style="list-style-type: none"> <li>• National Integrated Protected Areas System or NIPAS</li> <li>• Ratified 19 September 1985</li> </ul>
Convention for Safeguarding of Intangible Cultural Heritage	<ul style="list-style-type: none"> <li>• Ratified 18 August 2006</li> </ul>
Kyoto Protocol	<ul style="list-style-type: none"> <li>• Signed 15 April 1998</li> <li>• Ratified 20 November 2003</li> <li>• Amended 13 April 2016</li> <li>• Senate Resolution No. 117, s. 2016: Resolution concurring in the acceptance of the Doha Amendment to the Kyoto Protocol</li> </ul>
Paris Agreement on Climate Change	<ul style="list-style-type: none"> <li>• Signed 22 April 2016</li> </ul>
Montreal Protocol on Substances that Deplete the Ozone Layer	<ul style="list-style-type: none"> <li>• Signed 14 September 1988</li> <li>• Ratified on 21 March 1993</li> </ul>
International Covenant on Civil and Political Rights	<ul style="list-style-type: none"> <li>• Entered into force on 23 March 1976</li> </ul>
Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)	<ul style="list-style-type: none"> <li>• adopted in 1979</li> <li>• Ratified 1981</li> </ul>
Convention on the Rights of the Child	<ul style="list-style-type: none"> <li>• Signed 26 January 1990</li> <li>• Ratified 21 August 1990</li> </ul>
International Convention on the Elimination of All Forms of Racial Discrimination (1999)	<ul style="list-style-type: none"> <li>• Signed 1996</li> <li>• Ratified 1967</li> </ul>
International Covenant on Economic, Social and Cultural Rights	<ul style="list-style-type: none"> <li>• Signed 1966</li> <li>• Ratified 1974</li> </ul>
International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	<ul style="list-style-type: none"> <li>• Signed 1993</li> <li>• Ratified 1995</li> </ul>
Convention on the Rights of Persons with Disabilities	<ul style="list-style-type: none"> <li>• Signed 25 September 2007</li> <li>• Ratified on 15 April 2008</li> </ul>
International Covenant on Civil and Political Rights	<ul style="list-style-type: none"> <li>• Signed 1966</li> <li>• Ratified 1986</li> </ul>
Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)	<ul style="list-style-type: none"> <li>• Ratified 17 June 2019</li> </ul>
Worst Forms of Child Labour Convention, 1999 (No. 182)	<ul style="list-style-type: none"> <li>• Ratified 29 November 2000</li> </ul>

International Instrument	Details
Equality of Treatment (Accident Compensation) Convention, 1925 (No. 19)	• Ratified 26 April 1994

## Attachment 10. Global SDG Commitments and Status

**Source:** NEDA. n.d. The Global Goals Philippines. Retrieved from: <https://sdg.neda.gov.ph/>

SDG	TARGET (2030)	UPDATE <sup>106</sup>
<b>No Poverty</b>		
Proportion of population below the international poverty line, by sex, age, employment status, and geographical location (urban rural)	5.4	2.7 (2018)
Proportion of population living below the national poverty line, by sex and age	10.8	18.1 (2021)
Percentage of women (15-19 years old) with live birth in the five years preceding the survey who received antenatal care, delivery assistance, or postnatal care from health personnel for the most recent birth	100	88.03 (2017)
Percentage of all women and currently married women ages 15-49 who have ever used any contraceptive methods	100	61.6 (2017)
Percentage of population the visited a health facility or sought advice or treatment in the 30 days preceding the survey	-	7.6 (2017)
Net Enrolment Rate In kindergarten Indicator Is also found In SDG 4.2.2	100	66.1 (2020)
Net Enrolment Rate In elementary Indicator Is also found In SDG 4.3.s1	100	89.1 (2020)
Net Enrolment Rate In secondary education Indicator Is also found In SDG 4.3.s2	100	65.5 (2020)
Proportion of families with access to improved water supply	100	87.7 (2020)
Proportion of population living in households with access to sanitary facility	100	95.3 (2020)
Proportion of families with owned or owner-like possession of housing units	100	59.8 (2020)
Proportion of families with access to secure tenure	100	96.9 (2020)
Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population	0.00	0.89 (2021)
Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies	100	82.84 (2021)
Proportion of national budget for direct poverty reduction program to the national budget	2.9 (baseline)	2.1 (2022)
<b>Zero Hunger</b>		
Proportion of HHs meeting 100 percent recommended energy intake	45.5	19.5 (2019)
Prevalence of stunting among children under 5 years of age	24.9	26.7 (2021)
Prevalence of malnutrition among children under 5 years of age	3.7 (wasting) No increase (overweight)	5.5 (wasting) 3.9 (overweight) (2021)
Prevalence of micronutrient deficiencies (Vitamin A, Iron)	0 (Vitamin A deficient) 0 (anaemic)	4.98 (vitamin A deficient) 15.2 (anaemic) (2019)

<sup>106</sup> based on submissions as of 04 April 2022

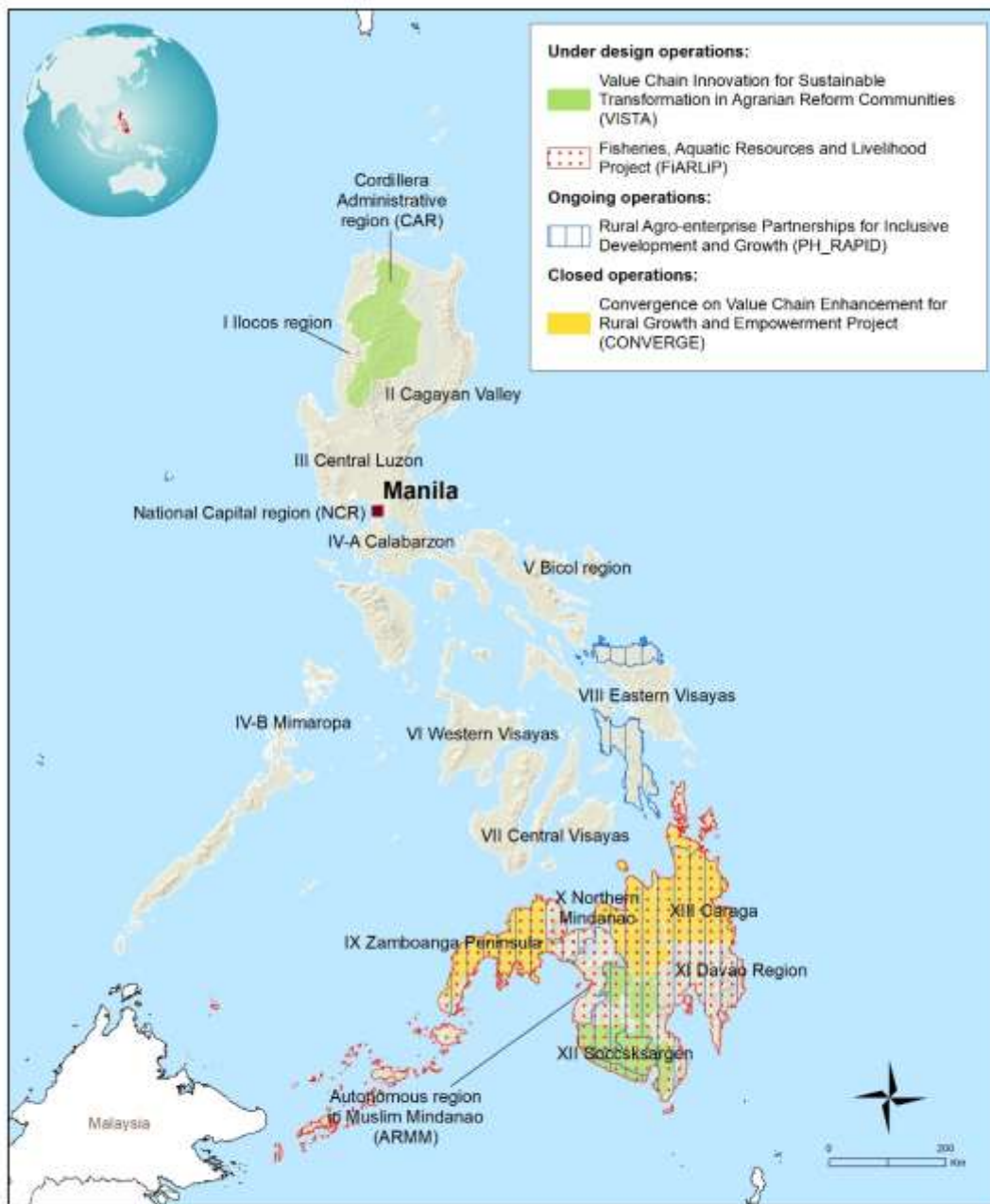
SDG	TARGET (2030)	UPDATE <sup>106</sup>
	mic)	
Prevalence of exclusively breastfed children 0 to 5 months old	100	60.1 (2021)
<b>Good Health and Well-Being</b>		
Proportion of births attended by skilled health professional	100	84.4 (2017)
Proportion of births delivered in a health facility		88.4 (2022)
Under-five mortality rate	20.7	26 (2022)
Neonatal mortality rate	6.5	15 (2022)
Infant mortality rate	9.8	22 (2022)
Number of new HIV infections	0	12,341 (2021)
Tuberculosis incidence per year	0	434 (2016)
Malaria incidence	0	0.05 (2019)
Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease		4.6 (2020)
Percentage of drug abuse cases or drug users who completed treatment		83.0 (2020)
Harmful use of alcohol, defined according to the national context as alcohol per capita consumption within calendar year in liters of pure alcohol	-	54.5 (2018)
Death rate due to road traffic injuries per 100,000 population	0.1	8.0 (2020)
Proportion of women (married) of reproductive age (15-49) who have their need for family planning satisfied with modern methods	100	59.1 (2022)
Adolescent (15-19 years) birth rate per 1000 women in that age group	30.3	25 (2022)
Contraception Prevalence Rate	100	58.3 (2022)
Number of people covered by health insurance or a public health system per 1000 population	1000	919 (2022)
Percentage of population covered by the social health insurance	100	92.0 (2022)
Out-of-the-pocket health spending as percentage of total health expenditure	43.5	39.9 (2020)
Mortality rate attributed to unintentional poisoning per 100,000 population	0	0.1 (2020)
Age-standardized prevalence of current tobacco use among persons aged 15 years and older	15.3	19.5(2021)
Prevalence of current tobacco use		18.5 (2021)
Proportion of fully immunized children		48.4 (2017)
Percentage of public health facilities properly stocked with selected essential medicines		56 (2020)
<b>Gender Equality</b>		
Whether or not legal frameworks are in place to promote enforce and monitor equality and non-discrimination on the basis of sex	1	1 (2022)
Proportion of ever-partnered women and girls (15 and older) subjected to physical, sexual, or psychological violence by a current or former intimate partner in the previous 12 months	10.6	14.7 (2017)
Proportion of women and girls (15 and older) subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence		0.1 (2017)
Number of reported gender-based violence cases (including e-VAW)		25,654 (2021)

SDG	TARGET (2030)	UPDATE <sup>106</sup>
Number of reported abuse cases among women and children		12,543 (among women) 16,966 (among children) (2021)
Number of cases served by DSWD on violence against women and child abuse		1,208 (against women) 1,668 (against children) (2021)
Proportion of women aged (20-24) years who were married or in a union before age 15 and before 18	0 (before 15) 0 (before 18)	2.2 (before 15) 16.5 (before 18) (2017)
Proportion of seats held by women in national parliament and local governments	50 (national) 50 (local)	28.7 (national) 29.1 (local) (2019)
Proportion of women in managerial positions	50	53 (2021)
percent age of firms owned by women	-	-
Number of countries with laws and regulations that guarantee full and equal access to women and men (15-older) to sexual and reproductive health care, information, and education	1	0.5 (2020)
Number of agricultural and residential land free patents issued to women and men		43,261 (2021)
Number of holders of emancipation patents and certificates of land ownership, certificate of ancestral land titles, certificate of ancestral domain titles by sex, stewardship		516,843 (patents) 2,028,791 (certificates of land ownership) (2021)
Number of women beneficiaries with secured land tenure in residential areas		13,147 (2021)
Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment	1	1 (2022)
<b>Responsible Consumption and Production</b>		
Hazardous waste generated per capita and proportion of hazardous waste treated (industries)		0.04 (generated) 2.9 (treated) (2017)
<b>Climate Action</b>		
Number of deaths, missing persons and directly affected persons attributed to disaster per 100,000 population	0 (deaths) 0 (missing) Decreasing (directly affected)	0.89 (deaths) 0.12 (missing) 18,456.8 (increased) (2021)
Number of countries that adopt and implement national disaster risk reduction strategies in line with Sendai Framework for Disaster Risk Reduction 2015-2030	1	1 (2022)
Proportion of local government that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies	100	82.84 (2021)
Number of countries that have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse Impacts of climate change, and foster	1	1 (2020)

SDG	TARGET (2030)	UPDATE <sup>106</sup>
climate resilience and low greenhouse gas emissions development in a manner that does not threaten food production (including a national communication, biennial update report or other)		
Life Below Water		
Coverage protected areas in relation to marine areas	- (protected areas in relation marine areas) 0.70 (NIPAS and locally managed MPAs)	(protected areas in relation marine areas) 1.42 (NIPAS and locally managed MPAs) (2021)
Life on Land		
Forest area as a proportion of total land area	28.5	24.1 (2020)
Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas		0 (poor ecosystems) 0.0445 (fair ecosystems) 0.7553 (good ecosystems) 0.2001 (excellent ecosystems) (2021)
Forest Coverage Change		330,689 (2015)
Red List Index		0.59 (2019)
Official development assistance and public expenditure on conservation and sustainable use of biodiversity and ecosystems (in million dollars)		2,290.3 (2020)
Official development assistance and public expenditure on conservation and sustainable use of biodiversity and ecosystems (in million dollars)		2,290.3 (2020)

Official source of the data: <https://psa.gov.ph/sdg>

**Attachment 11. Country Programme Areas**



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

IFAD Map compiled by IFAD | 22-05-2023



**Attachment 12. Existing Donor ENRM and CC Initiatives**

ORGANIZATION	DESCRIPTION OF PORTFOLIO
ADB	DA - Integrated Natural Resource Management Project (INREMP), Policy-Based Lending: Competitive and Inclusive Agriculture Development
AFoCO	Promotion of Vertical Integration in Wood Processing through People's Organization in Community Based Forest Management Areas in the Philippines
FAO	Paris Agreement in Action: Upscaling Forest and Landscape Restoration to Achieve Nationally Determined Contributions Project, Forest for a Sustainable Future: Educating Children Project
Federal Republic of Germany (BMU)	Ensuring Sustainable Benefits from Peatland through Protection and Wise Use (ESBenePeat), Improved Ecosystem Services and Reduced Vulnerability to Climate Change through Ecosystem-based Management and Application of Ecosystem Values in Two River Basins in the Philippines
GEF	Integrated Approach in the Management of Major Biodiversity Corridors in the Philippines, Implementing the National Framework on Access and Benefit Sharing of Genetic Resources and Associated Traditional Knowledge in the Philippines, Implementing the Strategic Action Program for the South China Sea and Gulf of Thailand, Reducing Pollution and Preserving Environmental Flows in the East Asian Seas through the Implementation of Integrated River Basin Management in ASEAN Countries, Demonstration of BAT and BEP in Open Burning Activities in Response to the Stockholm Convention on POPs, Implementation of PCB Management Programs for Electric Cooperatives and Safe E-Wastes Management, Enhancing Biodiversity, Maintaining Ecosystem Flows, Enhancing Carbon Stocks through Sustainable Management of Forest Resources and the Restoration of Degraded Forestlands, Global Partnership for Improving the Food Cold Chain in the Philippines, GEF Global Opportunities for Long-term Development (GOLD) Mongolia-Philippines: Contribution Towards the Elimination of Mercury in the Artisanal and Small Scale Gold Mining (ASGM) Sector: From Miners to Refiners
GIZ	Sustainable Coastal Protection through Biodiversity Conservation in Coastal Ecosystems affected by Typhoons in the Philippines, Improved Ecosystem Services and Reduced Vulnerability to Climate Change through Ecosystem Value in Two River Basins in the Philippines, Responsible Land Governance in Mindanao Project
JICA	Technical Cooperation Project for Capacity Development on Improving Solid Waste Management through Advanced/ Innovative Technologies in the Philippines, Forestland Management Project
KOICA	Establishment of an Integrated 3D-GIS Based Water Resources Management Information System for the Pampanga River Basin-WRMIS Phase 2
MAFRA	Establishment of Smart Greenhouse and Capacity Building in the Philippines Project
NNEF <sup>107</sup>	Establishing Knowledge on the International Importance of Sibugay Wetlands: A Means to Enhance Wise Use of the Proposed Ramsar Site
UNDP	Biodiversity Finance Initiative Phase 2, Integrated Approach in the Management of Major Biodiversity Corridors in the Philippines, Implementing the National Framework on Access and Benefit Sharing of Genetic Resources and Associated Traditional Knowledge in the

<sup>107</sup> Nagao Natural Environment Foundation

ORGANIZATION	DESCRIPTION OF PORTFOLIO
	Philippines
UN-HABITAT	Healthy Oceans and Clean Cities Initiatives
USAID	FishRight Program, Philippine Sustainable Intervention for Biodiversity, Oceans and Landscape, Safe Water Project, Sustainable Interventions for Biodiversity, Oceans and Landscape
USDA	Intensified Community-Based Dairy Enterprise Development Project
WB	Philippine Rural Development Project (PRDP)

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## **Agreement at completion point**

This appendix is not required for this COSOP.



## COSOP preparation process

### COSOP Completion Review.

An extensive CCR was conducted for the Philippines in early 2022 in preparation for the COSOP. The CCR occurred through three stages, i) review of available documentation on key themes related to COSOP implementation, particularly related to portfolio design and implementation; ii) review of project results and activities to the time of the CCR to generate the Portfolio evaluation rating table and iii) interviews and meetings with key stakeholders from projects, Government, and civil society. Overall, 168 stakeholders were directly involved in the CCR process. The completion of the CCR involved a major stakeholder review workshop that was attended by 82 participants. The purpose of the workshop was to validate the preliminary findings of the review, to gather further stakeholder input to the process and to gain an understanding of the proposed priorities to be considered in the COSOP 2023-2027.

**COSOP preparation.** The design process of the new COSOP was launched in June 2022 with a meeting of the IFAD Country Office, supported by IFAD Regional specialists. A senior international consultant led and in-country mission in preparing the COSOP first draft under the guidance of the CO. An experienced team of national specialist consultants prepared technical working papers and technical input to the preparation of the draft COSOP. A Social, Environmental and Climate Assessment Procedure Assessment (SECAP) was prepared.

Between October 20 and November 1, 2022, a number of bilateral in-depth consultation meetings took place with key government counterparts and other partners in Manila and in Mindanao. The visits included development partners and project teams to identify lessons, discuss priorities and explore collaboration opportunities.

The following table presents the list of stakeholders consulted

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Maricel Francisco	Member, Farmer	KAMMPIL
Raul Socrates	Chief of Staff	PAKISAMA
Maricel Tolentino		KAISAHAN/AR - ARDKPP
Nathaniel Don Marquez	Executive Director	ANGOC - ARDKPP
Timothy Salomon	ILC PH Facilitator	International Land Coalition-National Engagement Strategy in the Philippines (ILC-NES PH)
Jay Rose Rodeo	Senior Project Officer for M&E	PHILDRHHA
Josef Angelo Martires	Assistant Secretary	Department of Agrarian Reform (DAR)
Lucienne Pulgar	OIC Director, PMS	Department of Agrarian Reform (DAR)
Rene Colocar	Undersecretary	Department of Agrarian Reform (DAR)
Anaclea Mariano	Undersecretary FASPO	Department of Agrarian Reform (DAR)
Gumercindo Tumbali	Project Manager, ConVERGE	Department of Agrarian Reform (DAR)
Neil Cabiles	Assistant Secretary	Department of Finance (DOF)
Joana Marie Torres	Finance Analyst	Department of Finance (DOF)

Paola Gabrielle Matanguihan	Attache II	Department of Finance (DOF)
Rommel Rivero	Planning Officer II	Department of Finance (DOF)

After finalizing the first draft COSOP with consolidated input from the COSOP team, a further national consultation took place as part of the ACPoR on December 14 and 15, 2022. A program and list of participants is attached. Based on the feedback from the consultation, the draft COSOP was further amended and submitted to the Government and IFAD for detailed assessment.

**IFAD-PHL Annual Country Programme Review (ACPoR) 2022**  
14-15 December 2022, Waterfront Hotel, Davao City  
**Theme: "Revisiting the Past, Sharing Lessons, Strategizing the Future"**

<b>Date</b>	<b>Time</b>	<b>Activity</b>	<b>Resource</b>
<b>13 Dec</b>		Arrival/Registration	c/o RAPID
		Setting up of Project Posters and Knowledge Products	c/o Projects
<b>14 Dec</b>	9:00	Opening Program	c/o RAPID
		<b>Part 1: Revisiting the Past</b>	
	9:30	- Presentation and Discussion of the PHL COSOP (2016-2022) Results	Yolando Arban
	10:10	Coffee Break	
		<b>Part 2: Learning Lessons</b>	
	10:30	- Integration-Consolidation: PARBO-LARBO VCE Model	ConVERGE
	11:10	- Value Chain-based Investment Planning	RAPID
	12:00	Lunch Break	
	13:30	Warm Up Activities	
	13:45	- Innovative Watershed Conservation Mechanism: SIKAME Experience	CHARMP2
	14:25	- Agroforestry vis-à-vis Livelihood Approaches in Watershed Areas	INREMP-DENR
	15:10	Coffee Break	
	15:30	- Baywide Implementation of the Ecosystem Approach to Fisheries Management	FishCORAL
	16:10	- Organizing and Strengthening IAs in Fragile Areas	INREMP-NIA
18:00	Solidarity Dinner		
<b>15 Dec</b>	8:30	Warm-Up Activities	c/o RAPID
		<b>Part 3: Strategizing the Future</b>	
	9:00	- Emerging Priority Strategies for the Agriculture, Forestry, and Fishing Sector in the PDP 2023-2028	NEDA
	9:40	- Philippine Action Plan for Family Farming (PAP4FF)	ARDKPP
	10:20	Coffee Break	
	10:40	- The Land Monitor Report: Inclusive land tenure data for reporting, policy engagement and the SDGs	ANGOC
	11:20	Synthesis/Discussion: Lessons for PHL COSOP, and New Projects	Ronald Chua. IFAD Consultant
	12:00	Lunch Break	
	13:30	Warm Up Activities	c/o RAPID
	13:45	Draft PHL COSOP (2023-2028)	Dorothy Lucks. IFAD Consultant
14:15	Breakout Groupings	Yolando Arban	

	15:00	Coffee Break	
	15:20	Plenary Reporting	
	16:00	Highlights of Group Reports	Ronald Chua
	16:30	Closing Program	c/o RAPID
	17:00	Early Departure	
	18:00	Dinner	
<b>16 Dec</b>	AM	Late Departure	

*Moderators: Mae Ester T. Guiamadel and Yolando C. Arban*

## South-South and Triangular Cooperation strategy

### Introduction

1. The approach to South-South and Triangular Cooperation (SSTC) aligns closely with the United Nations system-wide strategy for SSTC. SSTC is seen as a key mechanism for delivering relevant, targeted and cost-effective development solutions and fostering inclusive partnerships.
2. The IFAD Strategic Framework 2016-2025 and SSTC Strategy 2022-2027 aims to deepen SSTC impact by identifying and disseminating knowledge and innovations, and supporting policy engagement to enhance poor rural people's productive capacities, market access and resilience. An important part of IFAD's country programmes, SSTC aligns partnership, knowledge and policy engagement activities, while promoting inclusive and sustainable food systems transformation, especially in relation to climate, gender, nutrition and youth.
3. In the Philippines, IFAD has been active in knowledge exchanges through several main avenues. The first has been through a range of regional grants that have led to regional exchange within Asia. A second has been through receiving delegations from other countries, facilitated by IFAD and other development partners to share field experiences within portfolio activities. Examples include in the CHARM project that welcomed visitors from Africa and Asia to share experiences in Indigenous communities and in the Visibility Forum in January 2022 where regional partners were invited to share learning on lessons arising from the CHARM implementation. Visitors were also received to ConVerge related to land reform and value chain development experiences.
4. A third critical area of SSTC has been through the policy dialogue initiatives of the IFAD Country Programme in the Philippines. As part of the Annual KLMPE forum key issues related to rural poverty and agriculture development are discussed. These events include invitees from partners with regional networks. These partnerships have led to a range of adhoc SSTC sharing opportunities. In COSOP 2023-2028, there is substantial opportunity to strengthen and deepen these opportunities.

### Opportunities for rural development investment promotion and technical exchanges

5. As part of the COSOP preparation, the opportunities for SSTC were considered and discussed. It was considered to continue and expand the opportunity for SSTC through the activities of the KLMPE. This could take the form of building on key policy actions that have been prioritized such as the Philippines Action Plan for Family Farming in partnership with FAO, agricultural clustering and consolidation, public-private partnership in policy dialogue for agriculture and rural development and policy response to disaster risk response and climate change. This approach to SSTC would be highly strategic and with substantial opportunity for policy benefits for SSTC partners as the Philippines and other countries strive to strengthen the contribution of the agriculture sector to economic recovery and on-going development.
6. Four key technical streams of potential SSTC were also identified as potential areas for knowledge sharing, that build on the knowledge built through the previous COSOP period and with the potential of learning from other contexts with similar interests. These are: (i) contemporary practices in value chain development because this will be a core focus of the Country Programme and there would be substantial benefits to facilitating knowledge sharing on contemporary approaches with other countries taking a similar approach.; (ii) sustainable agriculture development with Indigenous Peoples, acknowledging Indigenous Knowledge Systems and Practices, and how Indigenous property and human rights can be protected and valued in agriculture development processes. As part of this approach, there is opportunity to incorporate aspects of food security and nutrition enhancement through traditional root crop development; (iii) sustainable coastal management and fisheries development – building on the experience



of the FishCoral Project and looking towards the proposed project on fisheries development in BARMM; (iv) ICT4D - use of technology in agriculture development for both improved sustainable management of natural resources and agricultural development and to attract young people into agriculture and value-chain related employment opportunities in line with the PDP 2023-2028 priorities for future-facing job creation, as well as addressing the digital divide and issues of the aging profile in agriculture.

### **SSTC engagement rationale**

7. The Philippines is a growing economy, but it has been severely affected by the COVID-19 pandemic. The new PDP 2023-2028 provides new opportunities through a focus on rural development. About two-thirds of poor households rely on agriculture and fishery activities as the main source of income. IFAD has been focusing on key aspects of agriculture and rural development. These have potential results worth sharing with other countries. At the same time, the Philippines faces major constraints to value chain development and sustainable resource management. In these aspects, other countries have valuable experience that could be embedded into the COSOP 2023-2028 activities to enhance results, particularly in the identified priorities. Department of Foreign Affairs-Technical Cooperation Council of the Philippines will be involved for the purposes of monitoring the SSTC activities of the COSOP 2023-2028 acting as the national focal point for Technical Cooperation among Developing Countries.

### **Partnerships and initiatives**

8. IFAD already has active partnerships that have potential to develop for SSTC initiatives. These include FAO and WFP for initiative in relation to nutrition improvements and family farming initiatives. IFAD already connects with a range of regional NGOs on these issues. There is a potential partnership with GEF for the initial project in relation to biodiversity enhancement. IFAD also partners with regional partners on rural finance, rural technology (training and technology transfer) as well as policy dialogue.

### **Conclusion**

9. The COSOP SSTC initiatives may be pursued through existing partnerships and with support from the IFAD's SSTC and knowledge centre in Beijing for Asia. The Philippines country programme would promote the sharing of innovative solutions in line with the above priorities or other relevant initiatives that would align with the country programme. These may include but not be limited to collaborative activities with the RBA agencies in the Philippines and across Asia and other regions, expansion of regional partnerships through the previous regional grants and the KLMPE initiatives.

## Financial management issues summary

COUNTRY	Philippines	COSOP PERIOD	2013-2018
<b>A. COUNTRY FM ANALYSIS</b>			
Country Disbursement Ratio (rolling-year)	5.4 %		
Unjustified Obligations:	1,004,858 USD <ul style="list-style-type: none"> <li>• Outstanding Ineligible Expenditure –</li> <li>• Outstanding Advances (Projects in Closed Status)               <ul style="list-style-type: none"> <li>• Outstanding advances of FishCoral delayed due to slow reconciliation between PMU and PIU, staff in charge doesn't follow up frequently despite follow up from IFAD.</li> <li>• FishCoral Grant: USD 56,092.94, closing date 30 Jun 2022. Status: refund request is with Borrower's Treasury, April 2023</li> <li>• FishCoral Loan: USD 795,555.98, closing date 30 Jun 2022. Status: refund request is with the Borrower's Treasury, April 2023</li> <li>• Enhancing Results Based M&amp;E Through Innovative Ict Solutions: USD 63,209.13, closing date 31 March 2023. Status: Final SOE and refund sent to IFAD on 26 &amp; 28 April 2023.</li> </ul> </li> </ul>		
PBAS Available allocation (current cycle) :	Allocated Amount: 25,000,000 Available Balance: 25,000,000		
BRAM access	YES – USD 60 million		
Country income category	LMIC		
<ul style="list-style-type: none"> <li>- 2022 TI score is 33/100, ranked 116/180 countries. Philippines TI is one of the significant decliners since 2014 when it peaked at 38/100.</li> <li>- RSP dropped to 4.0 in 2022 after stable rating of 4.25 since 2016.</li> </ul> <p><b>2016 PEFA Assessment.</b> it is creditable that compared with 2010 assessment, there are more areas rated as good ("A") or satisfactory ("B"). At the sub-indicator level (dimensions), the improvement is even more marked (Tables 0.2 and 0.4). Performance can be improved by focusing reform efforts on clearly identified parts of the PFM systems and processes that do not meet the necessary requirements for an open and orderly PFM system. The PEFA assessment provides a solid foundation for designing new and evaluating ongoing reforms. In summary, the assessment found the following main concerns that need to be addressed to improve the delivery of budget outcomes:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Fiscal discipline – Failings and delays in reconciliations with budget execution and accounting systems are inadequate to monitor and facilitate budget delivery.</li> <li><input type="checkbox"/> Resource allocation – An FMIS is still in development and procurement lacks an independent complaints mechanism while budget allocations steadily increased with limited absorptive</li> </ul>			

capacity in executing departments. □ Service delivery – Inadequacies in internal control exist while financial reporting and oversight is insufficient to provide assurance on service delivery as envisioned in the budget.

**WB Country Partnership Framework.** The government has pursued an action plan for PFM reform, and a top achievement has been the launch of the Budget and Treasury Management System (BTMS), an integrated financial monitoring system for all agencies. An IBRD Reimbursable Advisory Service (RAS) 2018-2019 provided advice on the deployment of the budget and treasury management system, integration with other crucial public administration systems, establishment of a comptroller general of financial management, and implementation of the upgraded e-procurement system.<sup>79</sup> Robust efforts to strengthen local PFM capacity, including in BARMM, will be essential for ensuring the effective use of increased levels of public revenue at the local level. Recent WB analysis in BARMM highlighted the need to broadly strengthen administrative capability, including budget planning and preparation, revenue management, expenditure management and internal audit.

**ROSC on Accounting and Auditing – 2017:** A mature and comprehensive accounting and auditing framework exists in the Philippines, which is largely in line with international standards and many internationally recognized good practices, however, further improvements can be achieved to further align with international standards and good practice.

The Philippines adopted IFRS-based standards as PFRS in 2005. PFRS are fully converged with IFRS except for the deferral of IFRS Interpretations Committee. ISA37 have been fully adopted in the Philippines. All current ISA have been adopted by the Auditing and Assurance Standards Council (AASC)<sup>38</sup>, and several more recently adopted standards await publication in the Official Gazette, including International Standards on Auditing (ISA) 700R (revised),

**Article IV 2021.** The Philippines' general government gross debt reached 57 percent of GDP as of end-2021 from 37 percent of GDP in 2019 mainly due to the impact of the pandemic on output and pandemic related spending. In the baseline, the debt-to-GDP ratio is projected to peak at about 61 percent in 2023–24 and then decline over the medium term with a reduction in budget deficits and growth recovery. The general government debt-to-GDP ratio is most vulnerable to a growth shock, followed by real interest rate and primary balance shocks.

External debt stood at 27.0 percent of GDP as of end-2021 and is projected to decline to around 24.0 percent in the medium term. However, debt dynamics are sensitive to large peso depreciation and current account balance deterioration.

Government of Philippines has no debt restructuring with IFAD.

Given current PBAS allocation, lending terms for Philippine is Ordinary term with access to BRAM and it will continue during the COSOP period.

IFAD funded projects mostly operate under PFM of all government level, given the about PFM assessment with the concerning area, **the Inherent Risk for COSOP FM is classified as Substantial.**

## B.PORTFOLIO – LESSONS {Strengths and Weaknesses}

**Existing Portfolio:**

<b>Project</b>	<b>Project Status</b>	<b>%Disbursed of all financing instruments</b>	<b>Project FM inherent risk rating</b>	<b>Performance Score: Quality of Financial Management</b>	<b>Performance Score: Quality &amp; Timeliness of Audit</b>	<b>Performance Score: Disbursement Rate</b>	<b>Performance Score: Counterpart funds</b>	<b>Completion date</b>
INREMP	Project Completed	72.98	Substantial	Moderately Satisfactory	Mod. unsatisfactory	Unsatisfactory	Satisfactory	31/12/2021
CONVERGE	Project Completed	81.54	Moderate	Moderately Satisfactory	Satisfactory	Moderately Unsatisfactory	Satisfactory	31/12/2022
FishC ORAL	Project Completed	76.92	Substantial	Moderately Satisfactory	Mod. satisfactory	Moderately Unsatisfactory	Moderately Satisfactory	31/12/2021
PH_R APID	Available for Disbursement	20.61	Substantial	Moderately Satisfactory	Mod. satisfactory	Unsatisfactory	Satisfactory	29/09/2025
FishC ORAL Grant	Project Completed	64.76	Substantial	Moderately Satisfactory	Mod. satisfactory	0	Moderately Satisfactory	31/12/2021
PHL - ICT korean grant	Project Completed	89.07	Moderate	Not Specified	Not Specified	Not Specified	Not Specified	30/11/2022

All current IFAD funded projects in Philippines follow the government systems, rules and regulations on receipts and disbursements of proceeds from loans and grants and it is consistent with IFAD's standard disbursement procedures. The government accounting system uses a standard chart of accounts, adopts the one fund concept with one set of books of accounts and appropriate ledger accounts for a specific project using the project or the responsibility centre code, and produces financial reports which conform to International accounting standards. The performance of FM is mostly moderately satisfactory with some shortcomings on: Project centralisation on financial management that takes time for payments, control and FM report consolidation and staff rotation during implementation. A shortcoming from using government accounting system is the limitation of providing the financial reports that meet the project reporting requirement, often project is maintaining excel spreadsheet for reporting to IFAD.

Disbursement rates are mostly unsatisfactory, main reasons come from: a). slow start-up and implementation because of using government system and staff at all levels, procedures and approval takes more time than expected. b). complexity of budget approval procedures. c). Delay in consolidation and submission IFR and d). Amendment of FA during the implementation with change of implementing agencies and partners.

There is no internal audit function of IFAD funded project however the Government Department is subject to Government inspection and parliament's monitoring.

Project is audited by SAI which is acceptable to IFAD, the quality and timeliness of IFAD funded projects are mostly moderately satisfactory.

**Lesson learnt:** Use of PFM provide great advantage and cost saving for project operation however expose to risks of complex organizational structure, centralized delegation of

*authority and capability of project financial reporting. Government's accounting system (Finance One) is still a concerning matter on financial reporting that affect the quality and timeliness of IFR and annual FS.*

***Mitigation measures:***

*This is advisable for new project to decide and configure the government's accounting system (Finance One) to enable the project's financial reporting to Donor, otherwise a standard accounting software should be set up at the inception of new project.*

*Budget for new project will be proactively prepared and submitted to Government for approval when the Project Design is approved.*

*Retroactive financing might be used for new project so start-up activities can be initiated as soon as possible.*

**Prepared by: Dung, Le Chi**

**Date: 01/05/2023**

*Instructions:*

- *FM Issues Summaries must be submitted to TLs (and TLs to CFMO) for quality review and clearance prior to submission as per our DOA.*
- *Notes in italic are provided to facilitate FM inputs and should be deleted before submission.*

## Procurement risk matrix – Part A country level .

<b>PHILIPPINES PRM - Part A Country Level</b> <b>Based on MAPS II – ASSESSMENT OF NATIONAL PROCUREMENT SYSTEM</b> <b>Pillar I – Legal, Regulatory and Policy Framework</b>					
Indicator # and Sub-Indicator #	Sub-Indicator Description <sup>108</sup>	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
<b>1</b>	<b>The public procurement legal framework achieves the agreed principles and complies with applicable obligations.</b>				
1(a)	Scope of application and coverage of the legal and regulatory framework	Since March, 2003, the Philippines has enacted its national procurement law [Republic Act 9184 also known as the Government Procurement Reform Act(GPRA)] that applies to all public procurement by all government entities from the national government, local governments and government corporations. The law and its latest 2016 Revised Implementing Rules and Regulations covers all public procurement of goods, infrastructure and consulting services. A different law(Republic Act 6957) earlier enacted on July	<b>L</b>		<b>L</b>

<sup>108</sup> The Indicators and Sub-Indicators are extracted from OECD-MAPS II of 2017 in order to harmonise with other MDBs and to save time and effort in conducting Part A assessments in case a recent MAPS II assessment has been conducted for the borrower's country system. The criteria to be applied in assessing each Sub-Indicator are those of OECD-MAPS II.

		7, 1990 also regulates Public Private Partnerships(PPP). Issuances on the foregoing are easily accessible without cost from the portals of the Government Procurement Policy Board (GPPB) and the Public Private Partnership Center(PPP Center).			
1(b)	Procurement methods	Legal framework includes a clear definition of the permissible procurement methods and the circumstances under which each method is appropriate. Alternative to competitive bidding are provided based on value. Splitting of contracts to avoid competitive bidding is a criminal offense.	<b>L</b>		<b>L</b>
1(c)	Advertising rules and time limits	Procurement opportunities are publicized via the Philippine Government Electronic Procurement Systems (PhilGEPS) online portal where all invitations(competitive mode) to bid and requests for quotations/proposals(alternative modes) are published. Sufficient time	<b>L</b>		<b>L</b>

		for bid preparation and submission are mandated by the 2016 RIRR of the GPRA.			
1(d)	Rules on participation	2016 RIRR of GPRA provides for well defined fair eligibility rules, excludes bidders who engage in corrupt, fraudulent or coercive activities. Government owned or controlled corporations may participate only if they are legally and financially autonomous, operate under commercial law and are not attached agencies of procuring entities.	<b>L</b>		<b>L</b>
1(e)	Procurement documentation and specifications	Current Philippines bidding documents have been simplified, prohibits branding and emphasizes use of necessary and functional specifications.	<b>L</b>		<b>L</b>
1(f)	Evaluation and award criteria	GPRA mandates full responsiveness as against substantial responsiveness of bids. Nondiscretionary pass fail criteria where presence or absence of document is checked. Evaluation criteria for consulting services are clearly defined.	<b>L</b>		<b>L</b>



		Value for money criteria can be stated in the technical specifications section.			
1(g)	Submission, receipt and opening of tenders	Opening of bids is regulated, minutes are taken, no contact rules prescribed from the opening of bids	<b>L</b>		<b>L</b>
1(h)	Right to challenge and appeal	Protest mechanism are provided where bidders may initially request for reconsideration and Protest before the Head of the Procuring Entity. No administrative body independent of the procuring entity exists to conduct review and grant remedies independent of judicial remedies.	<b>M</b>	<b>Law needs to be amended to provide for an administrative body with power to grant remedies independent of the procuring entity</b>	<b>M</b>
1(i)	Contract management	2016 RIRR provides for contract implementation guidelines for goods and infra. However, contract management functions including responsibility are not clearly defined.	<b>M</b>	<b>2016 RIRR to provide amendments to address contract management responsibilities</b>	<b>M</b>
1(j)	Electronic Procurement (e-Procurement)	Electronic bid submission is allowed.	<b>L</b>		<b>L</b>
1(k)	Norms for safekeeping of records, documents and electronic data.	Inclusions in the contract are clearly defined. However, not required to be kept at operational level but by Bids and Awards Committee	<b>M</b>	<b>Need to amend 2016 RIRR</b>	<b>M</b>

		<p>Secretariat level. Legal framework does not provide for document retention policy compatible with statute of limitations on fraud prosecution. Clear security protocols to protect records need to be established.</p>			
1(l)	Public procurement principles in specialized legislation	<p>Public procurement principles and/or the legal framework apply in any specialized legislation that governs procurement by entities operating in specific sectors, as appropriate.</p> <p>National government has established a Public Private Partnership Center(PPP Center) which has embodied public procurement principles in the selection and contracting of public private partnerships (PPP), including concessions as appropriate. The PPP Center is also responsible for developing policies and supporting the implementation of PPPs, including concessions, are clearly assigned.</p>	<b>L</b>		<b>L</b>
<b>2</b>	<b>Implementing regulations and tools support the legal framework</b>				

2(a)	Implementing regulations to define processes and procedures conditions	2016 RIRR provide for the detailed procurement procedures and are accessible in the GPPB website. 2016 RIRR regularly updated by GPPB.	L		L
2(b)	Model procurement documents for goods, works and services	GPPB has issued recent 6 <sup>th</sup> edition of Philippine Bidding Documents for use in competitive bidding of goods and infra. 5 <sup>th</sup> edition applies for consulting services. 2016 RIRR referred to as part of the bidding rules. Need to provide standard RFQ/RFP formats for alternative modes of procurement	M	<b>GPPB to provide model RFQ/RFP standard formats.</b>	M
2(c)	Standard contract	Standard contract clauses consistent with international standards are incorporated in model bidding docs.	L		L
2(d)	User's guide or manual for procuring entities (insert link to manual if possible)	GPPB has provided for manual for procuring entities in its website: <a href="http://gppb.gov.ph">gppb.gov.ph</a>	L		L
<b>3</b>	<b>The legal and policy frameworks support the sustainable development of the country and the implementation of international obligations</b>				
3(a)	Sustainable Public Procurement (SPP)	Country has SPP policy. However, no clear implementation appears to be in place.	M	<b>GPPB to amend 2016 RIRR to reflect inclusion of SPP</b>	M
3(b)	Obligations deriving from international agreement	Rules on cross debarment are established. Competitive bidding docs harmonized with	L		L

		MDB requirements.			
<b>Consolidated findings for Pillar I</b>		<b>The Philippines has an existing legal, regulatory and policy framework that is consistent with IFAD PPF.</b>	<b>L</b>		<b>L</b>
<b>Pillar II – Institutional Framework and Management Capacity</b>					
<b>4</b>	<b>The public procurement system is mainstreamed and well-integrated with the public financial management system</b>				
4(a)	Procurement planning and the budget cycle	Annual procurement plans are required from all procuring entities. 2016 RIRR outlines procedure. Annual budget for each succeeding year timely committed. Budget execution feedback mechanism in place.	<b>L</b>		<b>L</b>
4(b)	Financial procedures and the procurement cycle	Contracts not awarded unless accountant certifies on availability of funds. Invoicing and payment procedures are well defined.	<b>L</b>		<b>L</b>
<b>5</b>	<b>The country has an institution in charge of the normative/regulatory function</b>				
5(a)	Status and legal basis of the normative/regulatory institution function	GPRA has established the GPPB that is central authority in prescribing procurement rules and regulations. It is supported by a Technical Service Office (TSO).	<b>L</b>		<b>L</b>
5(b)	Responsibilities of the normative/regulatory function	GPPB and its TSO is entrusted with performing the assessment criteria	<b>L</b>		<b>L</b>

5(c)	Organisation, funding, staffing, and level of independence and authority	GPPB TSO is headed by an Executive Director.	L		L
5(d)	Avoiding conflict of interest	System to avoid conflicts of interest is in place	L		L
<b>6</b>	Procuring entities and their mandates are clearly defined.				
6(a)	Definition, responsibilities and formal powers of procuring entities	GPPRA provides for decentralized procuring entities with defined accountabilities. Depending on volume of procurement, procurement services, division, section or units may be created.	L		L
6(b)	Centralised procurement body	A centralized procurement body(Procurement Service of the Department of Budget and Management) exists for purposes of consolidated procurement of Common Supplies or Equipment. The procurement service is also engaged to undertake specialized procurement on a per MOA basis as procurement agent of other government entities.	L		L
<b>7</b>	Public procurement is embedded in an effective information system				
7(a)	Publication of public procurement information supported by information technology	There is a government portal known as Philippine Government Electronic Procurement Systems(PhilGEPS) that provides a centralized	L		L

		information on procurement opportunities from all procuring entities of the Philippine government from the time of posting of the invitation to bid/RFQ/RFP. Bidding documents may be downloaded from the portal. However, procurement Plans are posted in website of procuring entities, if such exists.			
7(b)	Use of e-Procurement	2016 RIRR established PhilGEPS is established as single portal as source of primary information on government procurement. It has electronic catalogue of common-use supplies, serves as an electronic bulletin board and registry of bidders.	<b>L</b>		<b>L</b>
7(c)	Strategies to manage procurement data	It is uncertain if data connected with e-procurement or information technology are being managed properly	<b>M</b>	<b>GPPB to provide rules on the gathering, use and analysis of procurement data from e-procurement</b>	<b>M</b>
<b>8</b>	The public procurement system has a strong capacity to develop and improve				
8(a)	Training, advice and assistance	GPPB-TSO has a pool of accredited trainers	<b>L</b>		<b>L</b>
8(b)	Recognition of procurement as a profession	Via a DBM Circular, procurement as a profession is recognized in	<b>L</b>		<b>L</b>

		central offices of national government departments with the creation of procurement service or division depending on the volume of procurement at central offices. In Regional and lower offices, procurement is mainly performed as an additional duty of government personnel			
8(c)	Monitoring performance to improve the system	GPPB-TSO is mandated to continually assess performance of procurement and amend the rules as necessary to improve the system	L		L
<b>Consolidated findings for Pillar II</b>		The country has in place a potentially responsive institutional framework and management capacity consistent with IFAD's PPF	L		L
<b>Pillar III – Public Procurement Operations and Market Practices</b>					
<b>9</b>	<b>Public procurement practices achieve stated objectives</b>				
9(a)	Procurement Planning	Procuring entities in general are weak on procurement planning	M	<b>GPPB-TSO to develop training modules on procurement planning. Participate in IFAD BuildProc program.</b>	M
9(b)	Selection and contracting	In general, procuring entities are fairly managing procurement process	L		L

9(c)	Contract management in practice	In general, procuring entities are weak in contract management. Contract completion delays are prevalent	<b>M</b>	<b>GPPB-TSO to focus on developing training modules and conduct training on contract management. 2016 RIRR should provide for defined responsibilities in contract management. Participate in IFAD BuildProc program</b>	<b>M</b>
<b>10</b>	<b>The public procurement market is fully functional</b>				
10(a)	Dialogue and partnerships between public and private sector	Open dialogue with private sector remains a work in progress to avoid suspicion of collusion. GPPB-TSO has trainings to capacitate private sector to encourage participation in public procurement opportunities.	<b>M</b>	<b>Procuring entities to proactively engage private sector to improve procurement planning</b>	<b>M</b>
10(b)	Private sector's organization and access to the public procurement market	Private sector(SMEs) not fairly competitive, well organized and capacitated to participate in public procurement	<b>M</b>	<b>GPPB-TSO to lead in this effort</b>	<b>M</b>
10(c)	Key sectors and sector strategies	Key sectors are identified but does not appear to be engaged for targeted assessments to strengthen integrity, sustainability and/or innovation in public procurement	<b>L</b>		<b>L</b>



<b>Consolidated findings for Pillar III</b>		<b>The country is weak on procurement planning and contract management</b>	<b>M</b>	<b>More capacity interventions and strong oversight will be needed</b>	<b>M</b>
<b>Pillar IV – Accountability, Integrity and Transparency of the Public Procurement System</b>					
<b>11</b>	<b>Transparency and civil society engagement strengthen integrity in public procurement</b>				
11(a)	Enabling environment for public consultation and monitoring	As a collegial body, consultative and transparent process is undertaken among GPPB members in adopting changes to procurement rules. More engagement of civil society organizations is needed.	<b>L</b>		<b>L</b>
11(b)	Adequate and timely access to information by the public	Stakeholders have adequate and timely access to information	<b>L</b>		<b>L</b>
11(c)	Direct engagement of civil society	Civil society sectors act as observers in bids and awards committee meetings	<b>L</b>		<b>L</b>
<b>12</b>	<b>The country has effective control and audit systems</b>				
12(a)	Legal framework, organisation and procedures of the control system	The country has sufficient audit rules and regulations on control mechanisms issued by the Commission on Audit. The commission has assigned resident auditors in procuring entities	<b>L</b>		<b>L</b>
12(b)	Co-ordination of controls and audits of public procurement	There is a national government auditing system being followed. Annual audits are being prepared to	<b>L</b>		<b>L</b>

		improve internal controls and reported to national legislature.			
12(c)	Enforcement and follow-up on findings and recommendations	Audit findings are expressed in audit observation memorandum(A OM) issued to procuring entities. If uncompiled by specific dates, audit disallowances will be issued	<b>L</b>		<b>L</b>
12(d)	Qualification and training to conduct procurement audits	While actual technical capacity is varied, auditors are trained by the Commission on Audit to conduct procurement audits	<b>L</b>		<b>L</b>
<b>13</b>	<b>Procurement appeals mechanisms are effective and efficient</b>				
13(a)	Process for challenges and appeals	Process in place for challenges and appeals that do not delay procurement decisions. However, they are withing the procuring entity. From the procuring entity after decision on a protest, bidder required to go to judiciary	<b>L</b>		<b>L</b>
13(b)	Independence and capacity of the appeals body	Judicial body(Regional Trial Court) as administrative appellate body exists. In general, appeals body are independent. May need to strengthen capacity in adjudicating procurement cases	<b>M</b>	<b>Philippine Judicial Academy to provide procurement training to judges</b>	<b>M</b>
13(c)	Decisions of the appeals body	Regional trial court may issue injunctive orders	<b>L</b>		<b>L</b>

14	The country has ethics and anti-corruption measures in place				
14(a)	Legal definition of prohibited practices, conflicts of interest, and associated responsibilities, accountability and penalties	GPRA, its 2016 RIRR and previous IRR define and penalize administratively and criminally prohibited practices	L		L
14(b)	Provisions on prohibited practices in procurement documents	Procurement documents refer to prohibited practices	L		L
14(c)	Effective sanctions and enforcement systems	GPPB has an online portal of blacklisted suppliers, contractors and consultants	L		L
14(d)	Anti-corruption framework and integrity training	Comprehensive anti-corruption framework is in place. Integrity trainings conducted. However, statistics on corruption related legal proceedings and convictions are not compiled and published annually	L		L
14(e)	Stakeholder support to strengthen integrity in procurement	Civil society need to be actively engaged and capacitated to help monitor public procurement	M	<b>GPPB-TSO to engage and capacitate civil society organisations</b>	M
14(f)	Secure mechanisms for reporting prohibited practices or unethical behavior	There are secure, confidential and accessible channels for reporting prohibited practices. There are legal provisions to protect whistle blowers. However, follow up system needs to be improved	L		L
14(g)	Codes of conduct/codes of ethics and financial disclosure rule	Republic Act 6713 provides for the ethical standards of	L		L

		government personnel			
<b>Consolidated findings for Pillar IV</b>		<b>The Philippines public procurement system has sufficient accountability, integrity and transparency mechanisms that are consistent with IFAD's PPF</b>	<b>L</b>		<b>L</b>
<b>Consolidated findings at country level</b>		<b>[to be determined by the SPO]</b>	<b>[to be determined by the SPO]</b>	<b>[to be determined by the SPO]</b>	<b>[to be determined by the SPO]</b>

## Integrated country risk matrix

Integrated Country Risk Matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
<p><b>Country context</b></p> <p>The economic outlook for the Philippines is broadly positive, with a solid growth trajectory despite emerging downside risks. The dual risks of conflict and natural hazards have stifled development in affected areas and test government capacity to build peace and resilience. (Risk of future unforeseen calamities exist as highlighted - <i>see fragility category</i>)</p>	Substantial	Moderate	<p>To design and implement projects that help in building strong resilient communities that have an inherent interest in collaborating and living peacefully and are able to effectively address both economic and climate risks.</p> <p>IFAD and projects remain engaged with early warning systems for calamities and take necessary actions to mitigate risks.</p>
<p><b>Political commitment</b></p> <p>The socio-political environment in the Philippines is defined by intense concentration of wealth, of markets, and of political influence contrasted by fragmentation and uneven capacity in public institutions at various levels of government. Together, these factors define the country's distinctively complex political economy.</p>	Substantial	Moderate	<p>Continuous communications between IFAD and the PH Government to be aware of emerging issues in the face of political constraints. The COSOP will focus on rural poor, women, youth, and indigenous people can have an important comparative advantage to ensure ongoing support and favorable public opinion.</p>
<p><b>Governance.</b></p>	Substantial	Moderate	<p>COSOP activities will support capacity building, strengthened management and governance mechanisms to enable these partners to effectively implement successful models</p>

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<b>Risk type</b>	<b>Inherent risk</b>	<b>Residual risk</b>	<b>Mitigation measures</b>
<p>The Philippines has a robust Commission on Audit and procurement standards are reviewed. There is risk of fraud and corruption at the local level that requires careful management.</p>			<p>IFAD CO to maintain transparency of operation and portfolio supervision to assess procurement and financial management regularly.</p>
<p><b>Macroeconomic</b></p> <p>The Philippines' economy was adversely hit by the COVID-19 pandemic but has rebounded to almost previous growth levels. This illustrates the steady growth pattern.</p> <p>The impact of the Russia-Ukraine conflict is expected to be temporary on Philippines relying on strong domestic economy that can withstand the adverse effects.</p> <p>Any unforeseen macroeconomic shocks may adversely affect the program but indications are that these would be short term effects.</p>	Substantial	Moderate	<p>The investment projects under the COSOP will provide measures and include contingency budgets to respond in case of economic volatility.</p> <p>CO to proactively assess the early indicators of macroeconomic shocks and manage loan and co-financing to cushion any potential adverse impacts on portfolio financing requirements.</p> <p>CO to maintain close coordination with national and regional government to make contingency plans for timely response.</p>
<p><b>Fragility and security</b></p> <p>As noted above, the Philippines is inherently fragile to climatic shocks due to its position and environment.</p> <p>Future climatic events are likely and may have substantial effects.</p>	High	Substantial	<p>CO and projects would need to follow standard emergency guidelines for calamities.</p> <p>IFAD CO to work with UNDSS to keep aware of any potential civil unrest.</p>

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Risk of insurgency of minority groups, although unlikely could affect security for project implementation.			<p>IFAD CO will engage regularly with the UN (SMT and UNCT) as well as the Government Authorities to ensure proper measures are planned and implemented adequately.</p> <p>Project interventions will be planned including Disaster response contingency fund to protect and increase the resilience of rural households against the economic and environmental shocks</p>
<p><b>Sector strategies and policies</b></p> <p>The Philippines has an active suite of policies and strategies related to the agriculture and SME sectors.</p> <p>The main risk in relation to sector strategies and policies is lack of resources for implementation.</p> <p>There are some risks in relation to land reform where there are often land ownership conflicts and land reform jurisdictions are unclear.</p> <p>For marine waters, similarly delineation is unclear and conflicts can occur.</p>	Substantial	Moderate	<p>Project designs will be aligned with existing strategies and policies but project design needs to consider the realities of resource availability for effective implementation.</p> <p>The non-lending activities such as the KLMPE and ARDKPP can assist in raising strategic and policy issues and develop dialogue and action in relation to any identified concerns.</p>

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<p><b>Policy alignment</b></p> <p>The Philippines has strong commitment to inclusion for women, IPs etc.</p> <p>There are available laws and structures that the COSOP builds on. The issues tend to arise at the local level where lack of understanding or capacity lead to barriers to inclusion and elite capture.</p>	Moderate	Low	<p>COSOP is fully aligned with PDP 2023-2028 and other government key strategy documents (i.e. NDC).</p> <p>IFAD to maintain close and ongoing dialogue with main partners particularly with NEDA and DoF as well as key donors such as ADB and WB to discuss emerging policy issues and project implications on policy areas.</p> <p>Each project will have processes built in to identify vulnerable groups at commencement, apply existing legislation and encourage good practice approaches.</p>
<p><b>Policy development and implementation</b></p> <p>There is substantial engagement of CSOs and other stakeholders in national and local policy development. There are barriers to participation of CSOs in implementation of policies. These relate to lack of access to decision-making processes and lack of resources to engagement in implementation.</p> <p>Policy implementation remain limited and not create a wider impact.</p>	Moderate	Low	<p>IFAD has been successful in engaging CSOs and POs in policy discussions. More can be done to continue this work through the lending and non-lending portfolio.</p> <p>A critical issue will be finding new mechanisms to engage CSOs in project leadership roles to help ensure implementation is appropriate to local farmers and fisherfolk.</p>



<b>Integrated Country Risk Matrix</b>			
<b>Risk type</b>	<b>Inherent risk</b>	<b>Residual risk</b>	<b>Mitigation measures</b>
			IFAD to work closely with ADB, WB, AFD to engage and provide technical support during the negotiation of relevant policies for loan/budgetary support with the Government to contribute, advice, and increase its impact.
<p><b>Environmental, social and climate context</b></p> <p>As noted in the SECAP review, there are many risks facing COSOP implementation that include nutrition and gender aside from the more obvious concerns on poverty, NRM management and climate change. These require targeted support as recommended in the review.</p>	High	Substantial	CO to embed SECAP review concerns within the project design to avoid SECAP concerns, and effective portfolio management processes to ensure compliance with safeguards and mitigate risks. Project infrastructure activities will consider climate proofing, disaster contingency fund to be allocated in the design, planning of NRM activities to be prioritized and integrated at the grassroots level including LGUs, capacity development will be provided, and partnership to be strengthened with relevant actors at the national and field level.
<b>Financial management</b>	Substantial	Substantial	IFAD to provide technical training to project staff and ensure robust supervision and coaching to address issues.

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<p>As noted in the financial and procurement risk reviews, there are substantial risks to fiduciary concerns given a relatively low level of capacity. Government staff rotation is a reason that affect the quality of project FM.</p> <p>Country TI score is 33/100 ranked 117/180 countries that is one of the significant decliners since 2014</p> <p>External debt stood at 27.2 percent of GDP as of end-2020 and is projected to decline to below 23 percent in the medium term. However, debt dynamics are sensitive to large peso depreciation and current account balance deterioration.</p>			<p>Training on IFAD FM procedure and guidance shall be provided at project start-up and during implementation.</p> <p>Project FM governed by Department's accounting unit with Finance Officer partially in charge of project FM, additional contract FO/Accountant should be recruited to ensure qualified FM staff fully dedicated to project.</p>
<b>Organization and staffing</b>	As above		As above
<p><b>Budgeting</b></p> <p>There is substantial risk that national budget cycles will be delayed. The Philippines has often had to proceed with a re-enacted budget due to the new budget being delayed. This causes inefficiencies in budgeted and can delay release of counterpart funding.</p>	Substantial	Moderate	<p>CO and projects to ensure that Forward Obligations are prepared well in advance and negotiate actively with oversight agencies in the advent of any delays.</p> <p>Preparation of AWPB is completed and get NOL from IFAD by the due date. AWPB is approved by Government prior to the financial year.</p>

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<p>A substantial risk within the COSOP period in the Madandas Garcia ruling that decentralizes a higher proportion of resources to LGUs. The LGUs are not currently equipped to effectively handle the increased responsibility.</p>			<p>Capacity development support will be included in the design to be provided to LGUs</p> <p>The COSOP implementation will need to be cognizant of the capacity of participating LGUs and other partners and may need to include training and orientation. This will particularly be the case for aspects of the MGR that are not yet determined.</p>
<p><b>Funds flow/disbursement arrangements</b></p> <p>Funds flow arrangements in the Philippines tend to be complex. This is complicated by the IFAD portfolio that work across multiple agencies. This often requires MoUs and joint budgeting agreements. These can be delayed and cumbersome to implement.</p> <p>Fund flow from Donor is separately transferred to Designated Account without the control of Treasury Arrangement. However rotation of MoF staff could impact on the change of WA Approver in ICP that could significantly impact the approval of replenishment.</p>	Substantial	Moderate	<p>CO needs to maintain careful review of funds flow and act rapidly when any delays are experienced. IFAD regional finance specialist should be orientated to national systems to more effectively assist when issues arise.</p> <p>Project budget plan is submitted to NEDA and DBM in advance to ensure budget for entire project duration is secured prior to the signing of Financing Agreement</p>

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<b>Risk type</b>	<b>Inherent risk</b>	<b>Residual risk</b>	<b>Mitigation measures</b>
<p>Slow disbursement through CI is an existing issue that should be considered during the project design.</p> <p>Start-up delays may hinder the overall performance of the projects.</p>			<p>Start up delays may be avoided through the use of retroactive financing. This will be effective immediately from the date the project has been approved by the IFAD Executive Board and NEDA until the entry into force of the Financing Agreement.</p> <p>This will allow: (i) hiring/assigning of key staff at the national level, (ii) setting up the CPMO, (iii) reviewing and firming up of the PIM, (iii) orientating the targeted regional and provincial offices, (iv) configuring and designing Accounting System (e-NGAs) to meet IFAD financial reporting requirement.</p>
<p><b>Country internal controls</b></p> <p>Each agency's Internal Audit Service or Internal Audit Unit prepares and executes an annual audit program including IFAD funded project. Audit programs are usually completed, but there are delays in completion often attributed to shortage of staff.</p>	Moderate	Low	<p>IFAD CO and specialists to maintain aware of audit processes and invest in facilitating dialogue if conflicts or delays occur.</p>

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<p><b>Accounting and financial reporting</b></p> <p>The Philippines adopted IFRS-based standards. Country Accounting and Reporting System is used for IFAD funded project. E-NGAS Accounting software is widely used for IFAD funded project with customization to meet IFAD reporting requirement.</p>	Substantial	Moderate	<p>Decentralizing project management and financial management are encouraged for increased responsiveness and faster service delivery.</p> <p>NGAS accounting software should be configured to provide project financial reports by category and component.</p>
<p><b>External audit</b></p> <p>Projects are audited by the Commission on Audit which is independent and capable to provide the annual audit report timely. The Philippines adopted IFRS-based standard since 2005</p>	Moderate	Low	CO to maintain contact when audits are required to ensure timely schedules.

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<p><b>Procurement issues</b></p> <p>Low capacity of procuring entities in procurement planning and contract management. Instances of low capacity in procurement procedures by implementing Municipal Local Government Units.</p>	Moderate	Moderate	<p>At project start up, members of bids and awards committee including their technical working groups to be given training on national procurement rules and regulations in relation to the IFAD Project Procurement Guidelines, IFAD Project Procurement Arrangements Letter, prior review requirements and contract management module in the IFAD Procurement Handbook. Project will be required to enrol procurement personnel to the IFAD BuildProc program. Project procurement personnel to be given training on IFAD CMT and IFAD OPEN.</p>