



Implementing the National Framework on Access and Benefit Sharing of Genetic Resources and Associated Traditional Knowledge in the Philippines

Basic Information

GEF ID
10079

Countries
Philippines

Project Title
Implementing the National Framework on Access and Benefit Sharing of Genetic Resources and Associated Traditional Knowledge in the Philippines

GEF Agency(ies)
UNDP

Agency ID
UNDP: 6275

GEF Focal Area(s)
Biodiversity

Program Manager
Jaime Cavelier

PIF

Part I – Project Informatic

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. BD-3-9

Cleared

Agency Response

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

No. The outcome following outcomes cannot be achieved with the proposed set of outputs: 1) Increased number of research and bioprospecting collaborations between government, private sector and local communities to develop and commercialize genetic resources, 2) Increased monetary and non-monetary benefits accruing to BD conservation and community development initiatives from the negotiation of ABS agreements.

Please clarify what this output means: Clear procedure and protocols issued for bioprospecting research and development. Aren't these protocols case and sector specific?

Please clarify the following output: Standards, guidelines for partnerships established for development and commercialization of natural products. It is not clear how to create standards and guidelines when the development and commercialization of natural products is product and sector specific.

Please clarify what the following output means: Strategy for wealth creation produced that guide the sustainable growth of natural products and bio-prospecting initiatives in the country.

Please clarify what this output means: Functional mechanism established for investing monetary and non-monetary benefits derived from the negotiation of benefit-sharing agreements into biodiversity conservation and community development. Can the re-investing benefits from ABS agreements be standardized or is that part of the negotiation of the agreement?

All in all: The outputs are very prescriptive leaving very little to no room for negotiation of ABS Agreements. There is too much control and that is likely to be a deterrent for potential investors in the R&D industry.

COMPONENT 2

Output 2.3. The objectives of this output are too broad and overambitious. What industries are being consider for the following: "road-mapping of genetic R&D, assessing research proposals, negotiating ABS agreements, understanding industry business models, facilitating access to genetic resources, compliance monitoring, tracking and monitoring bio-prospecting projects and other issues under the Nagoya Protocol". If any of these activities are to be carried out, the sector (industry) needs to be prioritize.

COMPONENT 3.

This is a highly ambitious component aiming at crafting two ABS Agreements and identifying and testing 2-3 potential ABS for potential commercial application with two species cited (*Vitex negundo* and *Blumea balsamifera*)

This component is an important one with a significant budget of \$2.5 million. Because it is about the development of 2-3 products with the corresponding ABS agreements and other important steps like marketing. It is important to elaborate on the the species (*Vitex negundo* and *Blumea balsamifera*), and the genetic resources (derivatives) that are being consider to the project. As in previous ABS projects prepared by UNDP, the GEF Secretariat requests preparing a table with the species, the R&D that will be carried (active compounds), by who (Unilab Laboratories Inc. and its affiliate, the Sentrong Katutubong Yaman -Sekaya), and the potential users (are there commercial buyers?). Make the case that these cases are covered by the Nagoya Protocol and are not cases of "bio-trade".

There is also the proposal to do Biodiversity management plans for in-situ conservation and sustainable use of the genetic resources. This needs clarification as this is very wide scope.

Please clarify the selection criteria for the labs where R&D will be carried out (Unilab Laboratories Inc. and its affiliate, the Sentrong Katutubong Yaman -Sekaya). Please clarify the role (or potential roles) of the six Tuklas Lunas (Drug Discovery) Centers listed on page 13.

2-28-19

COMPONENT 3

I) In the Outcome of this component, the introduction of "measured by" at the end of the Outcome does not resolve the problems because in order to get to the proposed measures, the project has to deliver them: 1) *At least 2 potential ABS products identified and tested for potential commercial application (Potential species include Vitex negundo and Blumea balsamifera)*; 2) *Conservation status of at least 5 threatened species and ecosystems improved (specific spp to be determined during PPG); Increased number of jobs created local communities in the sector including for dis-advantaged groups (baseline and target to be determined during PPG)*. This is different from the situation in Component 1 and 2, where the "measurements" were either modified or can be used as quantifiers of the outcome. Please address this situation, because these "measured by" are unlikely to be delivered within time and budget. Clearly over-promising and likely to under-deliver. See below too.

II) The R&D agenda of the project is too broad and unlikely to be delivered within budget and time. Difficult to know if the R&D is original, cutting edge and likely to result in "*At least 2 potential ABS products identified and tested for potential commercial application (Potential species include Vitex negundo and Blumea balsamifera)*". See below. Vitex negundo mentioned only once in the Results Framework, and not listed in Annex D.

1) *Blumea balsamifera*; It is difficult to believe that the project will be able to work on the R&D of this species in so many potential applications (i.e. anti-diarrhetic, expectorant, antispasmodic, astringent, anti-gastralgic and antihelmintic). Furthermore, the species is well known for a number of properties that can be found with a simple Google search. 2) *Canarium luzonicum*. What is the R&D agenda for the Elemi oil as potential materials for high-value specialty oil products? Does this fall under the Nagoya Protocol? The essential oils, bioactive principles and biological properties of the oils derived from this species are known. As in the case of *Blumea balsamifera*, much information on the species can be found, 3) *Angiopteris palmiformis*, *Blenchnum orientale* and *Cyanthea contaminans*. The proposed R&D Agenda for the three species is wide and complex and difficult to see how the project can advance this agenda specially on cancer (therapeutics for chronic inflammation and cancer). As in the previous species significant information on the properties of these species. What new and cutting edge R&D is this project planning to do? 4) *Xestospongia* and *Haliclona*. Not clear what is the R&D agenda on these sponges and associated micros. Sources of venom peptide for what?, 5) Philippine Wild Mushrooms (commune, *L. sajor-caju*, *L. tigrinus* and *G. lucidum*). The R&D agenda is too broad (for their Medicinal Properties focusing on 5 disease areas: diabetes, hypertension, microbial infection, Cancer, and inflammation) and unlikely to be delivered within time and budget (especially considering the rest of the species and research fronts.

The GEF SEC kindly request to review in detail the R&D Agenda of the project to be able to understand if it is doable (within budget, time and research capabilities), falls within the NP, and can deliver the proposed Outcome and its measure.

NOTE: This component requires resizing and to focus on the pieces of R&D that are realistic and worth an investment of \$2.5 Million. The GEF is unwilling to put financial resources in an agenda that is not clear and convincing.

Agency Response

UNDP, 4 April 2019

Thank you, we really appreciate your comments. They made us revisit the targets and assess the feasibility of achieving those given the resources and time of the proposed project.

We have revised the Outcome and indicators as follows:

Outcome Statement: At least one ABS agreement negotiated and finalized that demonstrate PIC and MAT and with clear provision on fair and equitable benefit sharing as measured by:

- At least one ABS product identified and tested for potential commercial application
- At least one pilot agreement with in-situ conservation measures to ensure protection and sustainable management of biological resource
- Income generated from ABS agreement accrue to local communities through transparent and clear mechanism

We have also revisited the species and the R&D focus that the project will be supporting. As mentioned in the PIF, the project will support those species that have undergone extensive research so that the Project can build on that for product development and private sector uptake. In this regard, the project has identified 2 target species, namely: Sambong (*Blumea Balsimifera*) and Pili Tree (*Canarium La*). These were chosen on the following basis:

1. Both have undergone extensive research.
 - a. Sambong, in fact, is one of the 10 herbal plants that the Department of Health endorsed as herbal medicines. There have been clinical studies already and two pharmaceutical companies are paying royalty for Sambong as diuretic and anti-urolithiasis.

- b. There have been several researches on essential oil from Pili tree and there were products made from it and marketed by some companies, but these are not covered by any ABS regulations and agreement. Supply is also a concern since Pili tree can only be found in limited areas in the Philippines.
2. Additional R&D for product development is needed. New research found that essential oil can be extracted from sambong leaves, this considered a very innovative yet feasible approach. The Project will support R&D on the product development out of essential oil. For the elemi oil, further R&D can be done to develop new products from it aside from what is already in the market.
 3. Additional support needed for the production side of the raw materials. Products from Sambong and Pili tree have not reached a commercial scale in terms of production due to low quality of the raw materials coming from the producers.
 4. Both have private sector interest for commercial application and marketing. Unilab and Pascual Laboratories have already been producing herbal products from sambong. There are also companies on essential oil that are interested to ensure continuous and sustainable supply of elemi/pili oil.
 5. Sambong is covered by ABS regulation but there is no clear benefit sharing scheme for local communities; Elemi oil from Pili tree is currently not covered by ABS regulation and agreement, hence, the Project will be working on this.

In the revised PIF specific project interventions that will be done for each target species have been included.

UNDP, 22 February 2019

C1 - Many thanks for your comment. The outcome indicators for Component 1 were adjusted to reflect a more direct outcome derived from the implementation of the proposed outputs. These outcome indicators are:

- An inter-agency mechanism using harmonized rules, protocols and guidelines to facilitate R&D and promote ABS agreements between users and providers of genetic resources
- An inter-agency framework to monitor and trace the use of genetic resources and ABS transactions
- A mechanism to channel ABS benefits which provide options for biodiversity conservation and sustainable use

C2 - Despite several attempts of regulatory harmonization of the 1995 ABS regulation, the Philippine ABS regulatory framework remains diffused and scattered among four key agencies (environment, agriculture ministries, agency for indigenous peoples and one location-specific). Building on the 2001 and 2005 ABS regulation updates, this output will provide for clearer coordination among these agencies including streamlining respective agency procedures towards more ABS approvals.

This output will also support clarifying and streamlining of procedures in the patenting application and approval to encourage the research community to protect the discoveries from their research results. The Country aims for developing protocols that are universal in application as they are meant to harmonize and streamline sector-specific or agency-specific ABS guidelines

The 1st barrier on pages 10-11 of the PIF was further elaborated to further clarify the country's situation and to contextualize the different proposed outputs.

C3 - This output aims at setting the minimum standards that should be met by all ABS applicants regardless of the sector or product. This may include, for instance, biodiversity metrics that must be observed to ensure that product commercialization does not cause fragmentation of habitats or forest degradation. This was deleted as a separate output and will be covered by Output 1.1.

C4 - The current ABS regulatory framework does not consider support to product development market testing and deployment. Likewise, the current policy of the Department of Trade and Industry on product commercialization does not deal with biodiversity-based products. This was deleted as a separate output and will be covered by Output 1.1.

C5 - The current regulatory set-up leaves it up to government to decide on how to plow back to the community the benefits that may be generated from bioprospecting agreements. The output being put forward in the PIF lays down various options on how to use the benefits that may be derived from any ABS agreement which may also include standardization of re-investment efforts and that is also part of the items that may be included in the negotiation of the ABS agreement. Standardization would mean being clear on where the proceeds will be used in general. Which, in this case, should be biodiversity conservation and community development/poverty reduction. However, the specifics on what BD conservation or community development initiative could be part of the negotiation and will depend on the local context, needs and gaps. Please see additional text on Component 1, page 17.

C6 - For years since the passage of the bioprospecting guidelines in 2005, there is no single bioprospecting application received by the Government, hence, these outputs are proposed to address this. The proposed outputs will not only consolidate and strengthen the current fragmented ABS regulatory framework but also clarify access procedures to facilitate the negotiation of ABS agreements. The project will facilitate coordinated and clear processes to enable the researchers and private sector to move up the value chain from collection to R&D, product development, testing and commercialization. The details for each stage will be left to the parties to negotiate, depending on the sector and the product, with a clear roadmap in place to facilitate the navigation within each stage and from one stage to the next.

C7 - Thank you for your comment. The wording of this output was adjusted. The revised output 2.3 is: Road mapping of genetic R&D and ABS development for one priority sector

The road-mapping aims to identify the vision and the plan to move at each stage of the ABS undertaking – from research agenda formulation, to actual research, and identification of priority research results which can be developed into products, clear plan on private sector engagement, and monitoring of ABS agreements. It will also include prioritization of research activities that will be undertaken, depending on the gap, the need, the resources and capacity of relevant actors and stakeholders. It lays out the research agenda on a phased approach, prioritization of sector and research results that can be supported for further development up until the commercialization stage. This output will prioritize one sector as suggested by the GEF reviewer.

C8 - This component will be supported by the PharmaSeas Program of the Department of Science and Technology (DOST). This program supports research undertakings with potential for drug discovery through drug discovery centers established nationwide in partnership with State Universities. In addition, the Philippine Institute of Traditional and Alternative Health Care (PITAHC) will be facilitating research that promotes natural products and traditional and complimentary medicine. The DOST Philippine Council for Agricultural and Aquatic Research and Development (PCAARD) is also supporting research on the use of plant genetics for food and agriculture (eg. bio-fertilizers). The private sector needs to be informed about research results for possible uptake and continuing R&D and eventual commercialization. The project is proposing to develop at least 2 genetic products that are in an advanced research stage with potential for private sector uptake. The initial list is based on the consultation with DOST and will be confirmed and finalized during the PPG once an exhaustive analysis can be done.

C9 - The information requested by the GEF reviewer was included in Annex D of the PIF. Please note that this list was drafted based on initial consultation. During the PPG phase, the list of candidates will be refined and confirmed.

C10 - This is to ensure that production and collection of raw materials for a certain product will not compromise the ecological integrity of the area, hence the project is proposing that resource providers should be able to develop a plan on how the resource will still be conserved and sustainably harvested or used. This is further clarified on pages 20 and 21.

C11 - The criteria was: 1) Labs that are currently undertaking cutting-edge research on potential ABS products that need an additional incentive to move the product to development and marketing; ; 2) Labs undertaking research with species found in the project area and; within the area of the proposed project sites 3) Labs willing to collaborate and comply with national ABS laws and the Nagoya Protocol.

The Tuklas Lunas Centers, are State Universities and key research institutes in the country, hence their role will primarily be in the research and development aspect ABS products under this proposal. They will also contribute to the road mapping of research priorities for the country and will also benefit in the capacity building activities planned under the project. Please note Tuklas Lunas Centers were included under the academic sector in Section 2 – Stakeholders, page 25.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Please confirmed that the co-financiers that are listed on Table C know they are part of the project and have committed to contribute with the co-financing listed. Please also provide names for the Private Sector and Local Local Government Units that are going to co-finance the project with \$1 million each.

Agency Response

UNDP, 22 February 2019

During PIF development, there have been initial consultations with the sectors and agencies listed in Part I, Section C. There are indications of support and willingness to collaborate and complement this Project with their on-going and future initiatives. The co-financing listed on the PIF is indicative and will be confirmed during PPG.

Please note the names of several entities have been included in section C, page 5.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. The resources requested are within the BD funds available in GEF-7.

Cleared

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. The resources requested are within the BD funds available in GEF-7.

Cleared

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. The resources requested are within the BD funds available in GEF-7.

Cleared

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. \$150,000 for PPG

Cleared

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. Targeting 100 ha.

Cleared

Agency Response**Project/Program taxonomy****7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?****Secretariat Comment at PIF/Work Program Inclusion**

12-14-18

Please add the Key Word associated with the first set of Keywords.

2-18-19

Cleared

Agency Response**UNDP, 22 February 2019**

Key words have been added. Please refer to Table G, pages 7 and 8.

art II – Project Justification

1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. See pages 9-15 of PIF. Please remove the paragraphs on DENR-BMB's flagship program and USAID PROTECT Wildlife Project, unless direct relationship with the ABS project.

2-28-19

Cleared

Agency Response

The DENR-BMB programme has been pre-identified as a source of co-financing to support BD-friendly enterprises arising from the bio-products that will be developed under the Project. More specifically, Through CMEMP, the DENR-BMB programme will be able to support Output 3.6 – preparation and implementation of biodiversity management plans to conserve and promote the sustainable use of genetic resources.

The USAID PROTECT project is expected to contribute to the achievement of Output 3.3 – identifying, extracting and development of new bio products, through its agreement with the local University in Palawan. In the course of their work, the Project is also seen as contributing to Outputs 3.4 and 3.5 – that is, documentation and data basing of the biology, and associated traditional knowledge and profile; as well as support to market analysis, production and development of potential genetic products. It is anticipated that additional genetic resources will be identified by the PROTECT Project; and that close collaboration will be made in the course of implementation to ensure that their work also contributes to policies and provision of financial incentives and commercial ventures to local communities as a way of veering them away from illegal wildlife hunting and trading activities.

Thus, reference to these projects has been kept in the PIF.

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Please synthesize the “true” baseline projects, that is, the projects (or investments) that will take place whether the GEF project gets approved or not.

2-28-19

Cleared

Agency Response

UNDP, 22 February 2019

All the projects and investments included in the PIF are “true baseline projects” that will take place and/or continue whether the GEF project is approved or not. It should also be noted that the improved ABS enabling environment that the project aims to generate is crucial to increase the probability of success, scale up and replication of the baseline investments.

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes.

Cleared.

Agency Response

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes.

Cleared.

Agency Response

5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. Page 21 of PIF.

Cleared.

Agency Response

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes.

Cleared.

Agency Response

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. Pages 22 and 23 of PIF.

Cleared

Agency Response

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. Annex A.

Cleared

Agency Response

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Please state if the Stakeholders listed on pages 23-24 were consulted or if their roles are aspirational. Please either provide name of the the Private Sector and Academic and Research Institution listed at the bottom of the table or remove them. Specific roles need to be assigned to stakeholders.

2-18-19

Cleared

Agency Response

UNDP, 22 February 2019

YES, stakeholders were consulted. They are identified in the appropriate table in the section addressing Innovation, sustainability and potential for scaling up, pages 24 and 25.

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. Page 23 of PIF

Cleared

Agency Response

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Please be specific about how the project will link with the Chamber of Herbal Industries in the Philippines Inc. (CHUPI), the association of ca. 50 companies that focuses on research & development, manufacturing and distribution of herbal products all over the world. Select the companies that will physically engage and explain their relationship. Parts of that are scattered in other sessions.

2-18-19

Names of Companies expected at CEO Endorsement. Please check comments on Component 3 related to R&D.

Cleared

Agency Response

UNDP, 22 February 2019

The CHUPI will advise on possibilities for product development (product line trends, market niches, etc.) and commercialization (marketing and distribution channels) which the members may also provide. The details of these linkages will be further explored during the PPG phase.

Risks

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Pages 23-24 on PIF.

Cleared

Agency Response

Coordination

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined?
Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Page 26 of PIF.

Cleared

Agency Response

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. Page 27 of PIF.

Cleared

Agency Response

Knowledge Management

Is the proposed "knowledge management (KM) approach" in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project's/program's overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

Yes. Page 27 in PIF.

Cleared

Agency Response**art III – Country Endorsements**

Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

12-14-18

There is a LoE but the amounts differ between the letter and PIF.

2-28-19

Cleared

- 4-29-19
-
- Executing Partner Type is not filled in under Part 1- Project Information

- PMC from GEF financing accounts for **5%** of project GEF financing amount while PMC funded by co-financing accounts for only **2.7%** of corresponding co-financing. While there is not a Policy on this regard, it is a regular practice that the co-financing PMC portion is at least as equal as the GEF PMC portion, which is 5%.
- On Co-financing (provided by Roland), the description field describes the process whereby investment mobilized was identified. In addition, please describe the definition/ approach used to differentiate between "investment mobilized" and "recurrent expenditures". For further details, please refer to the Co-Financing Guidelines (http://www.thegef.org/sites/default/files/documents/Cofinancing_Guidelines.pdf).

Agency Response

- 1. Executing Partner Type is not filled in under Part 1- Project Information

UNDP response 26/04/2019: Executing Partner Type has been completed in the corresponding cell under Part 1 (See Part 1 page 1) .

- 2. PMC from GEF financing accounts for **5%** of project GEF financing amount while PMC funded by co-financing accounts for only **2.7%** of corresponding co-financing. While there is not a Policy on this regard, it is a regular practice that the co-financing PMC portion is at least as equal as the GEF PMC portion, which is 5%.

UNDP response 26/04/2019: PMC funded by co-financing now amounts to USD 955,000 which is 5% of total co-financing (See section B pages 1-5).

- 3. On Co-financing, the description field describes the process whereby investment mobilized was identified. In addition, please describe the definition/ approach used to differentiate between "investment mobilized" and "recurrent expenditures". For further details, please refer to the Co-Financing Guidelines (http://www.thegef.org/sites/default/files/documents/Cofinancing_Guidelines.pdf).

UNDP response 26/04/2019: A description on how investment mobilized was identified is provided below the table on indicative sources of co-financing (See Section C, page 6)

EFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

4-30-19

Yes. This PIF is recommended for Technical Clearance.

ADDITIONAL COMMENTS**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.****Secretariat Comment at PIF/Work Program Inclusion**

CONTEXT: The Philippines is home to an estimated 53,500+ species of plants and animals and new species are being discovered at a remarkable rate. Current taxonomic estimates show that the Philippines has the highest level of endemism in the Indo-Malayan Realm on a per unit-area basis. This diversity of species and associated high degree of endemism is associated with a wealth of traditional knowledge about the food, medicinal and other values of these genetic resources, particularly with respect to plants. Accessing this knowledge from indigenous peoples and applying it through scientific research and development and subsequent marketing of new products has huge potential for local communities, scientists and the private sector. While the country and its people can potentially benefit significantly from the exploration and use of their genetic resources for pharmaceutical, crop-protection, cosmetic and other ABS products, these have currently not been fully explored. This results in undervaluing and limited use of the genetic resources the country harbors which in turn threatens the genetic resources. In addition, there is a "leakage" in revenue generation derived from bio-piracy of the country's genetic pool. This is ironic as the Philippines is one of the first CBD Parties to regulate access and benefit-sharing under art. 15 of the Convention on Biological Diversity. Despite various policies through the years, the country has yet to fully realize the potential economic benefits of its genetic resources. In a study commissioned by UNDP Philippines, it is estimated that the bioprospecting value of recorded endemic species in a closed canopy forest is \$ 39.8 M annually. It was also estimated that the country loses around \$ 8.1 M million annually in foregone potential royalty fees for just one pharmaceutical product that was not patented. This only shows that as a mega-diverse country, the Philippines has considerable untapped wealth which can be generated from sustainable management of its rich genetic resources. The long-term solution proposed by the project is to establish a comprehensive national legal, regulatory and institutional framework for Access and Benefit Sharing (ABS) of the Philippines diverse genetic resources and associated traditional knowledge to generate social and economic benefits to the local/indigenous communities, scientific institutions, business enterprises and the nation.

PROJECT: The project has the following components and outputs: Component 1. Strengthening the national framework for implementing ABS in accordance with the Nagoya Protocol (1.1 Rules and regulations revised, harmonized and in use; 1.2 Clear procedure protocols and guidelines issued for bioprospecting research and development; 1.3 Revised institutional framework and administrative system in place; 1.4

Functional mechanism established for investing monetary and non-monetary derived from the negotiation of benefit-sharing agreements.

COMPONENT 2: Awareness raising and capacity building for implementation of national ABS framework (2.1 A CEPA action plan (communication, education and public awareness) on ABS related policies and procedures; 2.2 A comprehensive suite of IEC materials on ABS developed and disseminated; 2.3 Road mapping of genetic R&D and ABS development for one priority sector; 2.4 Integrated training program and other capacity building measures for staff relevant ABS agencies; 2.5 Database for on-going and pipeline researches, traditional knowledge of IPLCs, access permits; 2.6 Best practice pilot ABS agreements and PIC processes documented and disseminated.

COMPONENT 3. 3. Demonstrating benefit sharing agreements (3.1 Existing agreements reviewed and revised to be in line with national ABS framework and the Nagoya; 3.2 Agreement on monetary and non-monetary benefits derived from the use/marketing of natural products and Material Transfer Agreements with the local communities; 3.3 Research on identifying, extracting and development of new bio-products and bioprospecting permits obtained; 3.4 Biology, associated traditional knowledge and profile of 2 species with potential bio-products documented and databased; 3.5 Market analysis, production and development supported for at least 2 potential genetic products; 3.6 Model PIC processes with ILCs implemented in accordance with the planned PIC/community protocol for IP and non-IP areas; 3.7. Biodiversity management plans integrated in pilot agreements provide for in-situ conservation and sustainable use of the genetic resources.

GLOBAL ENVIRONMENTAL BENEFITS: Some 812 square kilometers of protected areas in Albay Province in S.E. Luzon Island and the Iglic-Baco Mountain along the central corridor of Mindoro Island will be targeted by the project for pilot ABS initiatives. This will raise awareness among local communities of the importance of these landscapes for plant genetic resources and provide greater local support for strengthening the management of protected areas in the landscapes. Some threatened, endemic and other plant species, as well as associated animal species, will benefit directly from project interventions in terms of increased population viability, while others will benefit from greater understanding and appreciation of their medicinal and other values to society. Most importantly, the interrelationship between plant genetic resources and traditional knowledge will become more widely appreciated, all of which will strengthen the management of the protected areas system, given the high incidence of traditional lands/ domains within KBAs of which 40% lie at least partially within PAs.

INNOVATION, SUSTAINABILITY, SCAPE UP: The project is innovative in that it demonstrates how the provisions of the Nagoya Protocol on ABS can be applied to the national context, which is one of high biodiversity alongside high ethnic and linguistic diversity that has resulted in a wealth of knowledge about plant genetic resources and indigenous peoples. A key and innovative element of the project is a pilot implementation of the Philippine Wealth Creation Program from Biodiversity Genetic Resources and its various components, which are: comprehensive R&D agenda, commercialization, tracking, upscaling of traditional knowledge-based enterprises and knowledge management system. The sustainability of the project is anticipated once communities are actively engaging with the research community and applying their customary laws and community protocols to bioprospecting opportunities. Once these types of research become routine and efficiently administered, then companies will be keen to come aboard and invest in such enterprises. Upscaling comprises enabling existing markets to expand once enterprises have consolidated their supplies of traditional knowledge-based products; and then mainstreaming exemplar models of best practices across other regions of the country, from Luzon to Mindanao. Given that there are at least 110 indigenous peoples in the Philippines scattered in recognized ancestral lands that are very often in or near to KBAs, upscaling of

this project has every chance of being successful provided the management of genetic resources is shown to be demonstrably sustainable based on rigorous monitoring and evaluation procedures. Upscaling of traditional knowledge-based enterprises is also a key component of the Philippine Wealth Creation Program and, therefore, will be an important contribution towards the attainment of the Program's objectives.

CO-FINANCING: It is in the amount of \$19,100,000 of which \$14,00,000 are Investment Mobilized. The financiers are the national and local Governments, the Private Sector (Unilab, Sekaya, Chamber of Herbal Industries Inc; Pascual Laboratories) the Agency and Local Communities.

Review Dates

	PIF Review	Agency Response
First Review	12/14/2018	2/25/2019
Additional Review (as necessary)	2/28/2019	4/4/2019
Additional Review (as necessary)	4/17/2019	4/26/2019
Additional Review (as necessary)	4/25/2019	
Additional Review (as necessary)		