

TA 6746 Nature Credits Country Case Study

Philippines

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List of Acronyms

ADB	Asian Development Bank	DAO	DENR Administrative Order
AFOLU	Agriculture, Forestry, and Other Land Use	DBM	Department of Budget and Management
ANECO	Agusan del Norte Electric Cooperative	DENR	Department of Environment and Natural Resources
ARR	Afforestation, Reforestation, and Revegetation	DEPDev	Department of Economy, Planning, and Development
AUU	Abandoned, Underutilized and Underdeveloped (fishponds)	DICT	Department of Information and Communications Technology
BCA	Biodiversity Credit Alliance	DILG	Department of Interior and Local Government
BFAR	Bureau of Fisheries and Aquatic Resources	DMO	Department Memorandum Order
BINHI	BINHI Program (Energy Development Corporation reforestation program)	DOE	Department of Energy
BIOFIN	Biodiversity Finance Initiative (UNDP)	DOF	Department of Finance
BMB	Biodiversity Management Bureau (DENR)	DOH	Department of Health
BSP	Bangko Sentral ng Pilipinas (Central Bank of the Philippines)	DOST	Department of Science and Technology
CADC	Certificate of Ancestral Domain Claim	DPWH	Department of Public Works and Highways
CBD	Convention on Biological Diversity	EAAF	East Asian-Australasian Flyway
CCB	Climate, Community and Biodiversity (Verra Standards)	EAAFP	East Asian-Australasian Flyway Partnership
CCC	Climate Change Commission	ECA	Environmentally Critical Area
CFS	Climate Finance Strategy	EDC	Energy Development Corporation
CMS	Convention on Migratory Species	EIA	Environmental Impact Assessment
CPPA	Crop Production and Purchase Agreement	EIS	Environmental Impact Statement
CRM	Coastal Resource Management	EPR	Extended Producer Responsibility
CSO	Civil Society Organization	ESG	Environmental, Social, and Governance
CSR	Corporate Social Responsibility	FAO	Food and Agriculture Organization
DA	Department of Agriculture	FIP	Fishery Improvement Program

FMB	Forest Management Bureau (DENR)	LWUA	Local Water Utilities Administration
FPIC	Free, Prior, and Informed Consent	MDB	Multilateral Development Bank
GBF	Global Biodiversity Framework (Kunming-Montreal)	MMDA	Metro Manila Development Authority
GBV	Gender-Based Violence	MOA	Memorandum of Agreement
GDP	Gross Domestic Product	MPA	Marine Protected Area
GEF	Global Environment Facility	MPIF	Metro Pacific Investments Foundation
GHG	Greenhouse Gases	MRV	Measurement, Reporting, and Verification
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit	MSC	Marine Stewardship Council
GVA	Gross Value Added	MWSS	Metropolitan Waterworks and Sewerage System
IAPB	International Advisory Panel on Biodiversity Credits	NAMRIA	National Mapping and Resource Information Authority
IBA	Important Bird and Biodiversity Areas	NBCAP	National Blue Carbon Action Partnership
ICVCM	Integrity Council for Voluntary Carbon Markets	NBSAP	National Biodiversity Strategy and Action Plan
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services	NCCAP	National Climate Change Adaptation Plan
IPLC	Indigenous Peoples and Local Communities	NCIP	National Commission on Indigenous Peoples
IPRA	Indigenous Peoples' Rights Act (Republic Act 8371)	NDC	Nationally Determined Contribution
IUCN	International Union for Conservation of Nature	NDRRMCC	National Disaster Risk Reduction and Management Council
JVOFI	Jaime V. Ongpin Foundation, Inc.	NFRDI	National Fisheries Research and Development Institute
KMGBF	Kunming-Montreal Global Biodiversity Framework	NGO	Non-Governmental Organization
KBA	Key Biodiversity Area	NGP	National Greening Program
LGU	Local Government Unit	NIA	National Irrigation Administration
LPPCHEA	Las Piñas-Parañaque Critical Habitat and Ecotourism Area	NIPAS	National Integrated Protected Areas System (RA 7586)
LPPWP	Las Piñas Parañaque Wetland Park	NOCWCA	Negros Occidental Coastal Wetlands Conservation Area

NSW	New South Wales	SBTN	Science Based Targets Network
PA	Protected Area	SDG	Sustainable Development Goal
PAMB	Protected Area Management Board	SEA	Sexual Exploitation and Abuse
PAMO	Protected Area Management Office	SEAFDEC	Southeast Asian Fisheries Development Center
PBSAP	Philippine Biodiversity Strategy and Action Plan	SEC	Securities and Exchange Commission
PCG	Philippine Coast Guard	SEEA	System of Environmental Economic Accounting
PCSD	Palawan Council for Sustainable Development	SFTG	Sustainable Finance Taxonomy Guidelines
PDD	Project Design Document	SMC	San Miguel Corporation
PDP	Philippine Development Plan	SD VISTa	Sustainable Development Verified Impact Standard
PENCAS	Philippine Ecosystem and Natural Capital Accounting System Act (RA 11995)	TA	Technical Assistance
PES	Payment for Ecosystem Services	TMO	Tubbataha Management Office
PLDT	Philippine Long Distance Telephone Company	TNFD	Taskforce on Nature-related Financial Disclosures
PNBCAP	Philippine National Blue Carbon Action Plan	UN	United Nations
PNP-MG	Philippine National Police - Maritime Group	SFTG	Sustainable Finance Taxonomy Guidelines
PPA	Philippine Ports Authority	UNDP	United Nations Development Programme
PPP	Public-Private Partnership	UNESCO	United Nations Educational, Scientific and Cultural Organization
PSA	Philippine Statistics Authority	UNFCCC	United Nations Framework Convention on Climate Change
PSE	Philippine Stock Exchange	UNOPS	United Nations Office for Project Services
RA	Republic Act	USD	United States Dollar
REDD+	Reducing Emissions from Deforestation and Forest Degradation	VCM	Voluntary Carbon Market
REM	Renewable Energy Market	VCS	Verified Carbon Standard
RFI	Regional Flyway Initiative	VFCM	Voluntary Forest Carbon Market

WEF	World Economic Forum
WHS	World Heritage Site
WWF	World Wide Fund for Nature

I. Executive Summary

This Philippine Country Case Study is a key output of the Asian Development Bank's Phase 2 Nature Credits Study, translating the conceptual and methodological foundations established in Phase 1 to the national and site-level context of the Philippines. It evaluates the country's readiness to develop high-integrity nature credits, with a particular focus on twelve wetland ecosystems under the Regional Flyway Initiative (RFI).

These wetlands are integral to the East Asian-Australasian Flyway (EAAF), supporting globally important biodiversity, delivering critical ecosystem services, and sustaining livelihoods in fisheries, aquaculture, tourism, freshwater supply, and flood management. Despite their significance, they face mounting pressures from land conversion, industrial activity, pollution, unsustainable extraction, and climate change. Public funding alone is insufficient to address these challenges at scale, prompting the exploration of nature credits as a complementary, market-based financing mechanism to mobilize private investment for measurable conservation and restoration outcomes, while reinforcing existing governance and community stewardship systems.

Building on the Phase 1 definition of nature credits as evidence-based units of positive ecological outcomes, the report examines how such mechanisms could be operationalized in the Philippines. The analysis integrates prior ADB-commissioned studies on ecosystem services and costed interventions for RFI sites, national policy and legal reviews, secondary ecological and socio-economic data, and insights from Key Informant Interviews (KIIs) and stakeholder engagements across government, civil society, the private sector, and site managers. It also draws on emerging carbon market developments, including DENR DAO 2026-02 on the Voluntary Forest Carbon Market (VFCM) and the National Blue Carbon Action Partnership (NBCAP), to inform governance, MRV systems, and market design considerations, while acknowledging the added complexity of biodiversity and ecosystem service crediting.

The report is organized around four main analytical components: (i) an overall assessment of site-level viability within the RFI; (ii) an evaluation of key gaps, risks, opportunities, and potential; (iii) an analysis of enabling conditions and mechanisms; and (iv) a roadmap outlining pathways toward viable and implementable nature credit projects. Key insights from these analyses are summarized below.

- **The Philippines shows emerging viability for nature credits, supported by relatively advanced policies but constrained by the absence of a dedicated regulatory framework and fragmented institutional leadership.** Existing frameworks such as PBSAP 2024-2040, the Climate Change Act (RA 9729), NIPAS/E-NIPAS, DENR DAO 2026-02, NBCAP, the Philippine Development Plan, and the Sustainable Finance Taxonomy Guidelines, indicate a supportive policy direction. However, no law currently establishes a nature or biodiversity credit system governing issuance, verification, trading, ownership, or liability. Fragmented mandates across DENR, CCC, DOF, BSP, and DA-BFAR, along with limited coordination, constrain regulatory clarity and institutional leadership needed for near-term, high-integrity markets.
- **Demand-side viability relies on large corporate and institutional buyers, while local ecosystem users and communities are central to supply and stewardship.** Based on the Tiered Nature Dependency Framework, Tier 1-2 actors (e.g., aquaculture operators, fisherfolk, salt producers, and local tourism operators) are better suited as implementers and co-beneficiaries due to limited financial capacity. Near-term demand is expected from large conglomerates, multinationals, banks, and firms (Tier 3-4) pursuing TNFD-aligned strategies or nature-based procurement, driven by ESG and risk management pressures. KIIs confirm

strong interest but highlight constraints, including regulatory uncertainty, limited de-risking tools, weak offtaker demand, and high upfront costs—underscoring the need for a top-down demand development strategy.

- **A small number of large, well-managed sites anchor near-term viability, while others require phased approaches.** Tubbataha Reef Natural Park and Zamboanga Sibugay Wetlands emerge as leading candidates, supported by high biodiversity value, strong governance, private sector interest, and clear additionality potential. A second tier: Agusan Marsh, Candaba Wetlands, Olango Island, and Lake Mainit, shows strong potential but requires further strengthening before near-term credit issuance is feasible. Key gaps include improved governance coordination, development of robust MRV baselines, and strengthened risk management. These constraints are driven by governance fragmentation, incomplete ecological baselines, regulatory additionality challenges, evolving legal protection frameworks, hydrological and land-use pressures, and land tenure complexities. Other sites, such as Bangrin MPA, Panabo Coast, and parts of North Manila Bay, are suited for early-stage development and testing. Across sites, KIs highlight insufficient conservation financing and growing interest in mechanisms such as nature credits, PES, and insurance-linked solutions.
- **Social equity, indigenous rights, and community stewardship are central to credit integrity but remain unevenly implemented.** Legal frameworks such as IPRA (RA 8371) and co-management systems support FPIC and tenure security, yet gaps persist in inclusive participation, benefit sharing, and grievance mechanisms, increasing social risks and potential delays. Coastal and wetland livelihoods often rely heavily on women’s labor, but gender-responsive safeguards and data are inconsistently integrated. Addressing these gaps, especially in IPLC contexts and contested tenure areas, is critical for ensuring credit integrity, permanence, and community trust.
- **Key risks relate to market readiness, fragmented governance, data gaps, and misalignment between developers and buyers.** Buyer mapping and demand development remain limited, creating a risk that supply outpaces credible demand, a “chicken-and-egg” problem where developers need offtakers to finance projects, while buyers wait for certified credits. Overlapping mandates, land-use conflicts, and weak coordination increase permanence and reversal risks. Data fragmentation across agencies raises transaction costs, while limited de-risking tools, such as blended finance and pre-feasibility support, constrain private sector participation. In the EAAF context, localized habitat loss can undermine flyway-wide outcomes, requiring strong governance and coordination.

The results of this Philippine Country Case Study are synthesized into a roadmap to advance nature credit development. This roadmap translates insights on enabling conditions, site-level feasibility, and stakeholder inputs into a set of sequenced actions covering policy reform, capacity building, and pilot implementation. It highlights the **need to establish clear legal and institutional frameworks, enhance market and technical readiness among buyers and project developers, and implement phased pilots to test credit design, governance, and demand in real-world settings**. Collectively, these actions provide a practical pathway to reduce early-stage risks and enable the gradual scaling of credible nature credit mechanisms across RFI sites and the wider Philippine conservation landscape.

II. Definition of Terms

Additionality

The principle that the environmental benefits attributed to a project would not have occurred in the absence of the intervention or the financial incentive provided by the credit mechanism (Gillenwater, 2012).

Ancestral Domain

Lands and natural resources held by Indigenous Cultural Communities/Indigenous Peoples (ICCs/IPs) under their customary laws and traditions, encompassing not only the physical land but also the airspace, mineral and natural resources found therein (RA 8371, 1997)

Biodiversity

The variability among living organisms from all sources, including terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are part. This includes diversity within species, between species, and of ecosystems. (CBD, n.d.)

Blended Finance

The strategic use of development finance and philanthropic funds to mobilize additional private capital flows toward sustainable development in developing countries. (OECD, 2018)

Blue Carbon

The term for carbon captured by the world's ocean and coastal ecosystems. Sea grasses, mangroves, and salt marshes along our coast "capture and hold" carbon, acting as something called a carbon sink. These coastal systems, though much smaller in size than the planet's forests, sequester this carbon at a much faster rate, and can continue to do so for millions of years. (NOAA, n.d.)

Co-benefits

The positive effects that a policy or measure aimed at one objective – such as reducing carbon emissions or restoring an ecosystem – can have on other objectives, including biodiversity conservation, community livelihoods, water security, and climate adaptation. (IPCC, 2022).

Conservation Finance

A mechanism through which a financial investment into an ecosystem is made - directly or indirectly through an intermediary - that aims to conserve the values of the

ecosystem for the long term. (Credit Suisse, WWF, McKinsey&Company, 2014).

Ecosystem Services

Ecological processes or functions having monetary or non-monetary value to individuals or society at large. These are frequently classified as: (i) supporting services such as productivity or biodiversity maintenance; (ii) provisioning services such as food or fibre; (iii) regulating services such as climate regulation or carbon sequestration; and (iv) cultural services such as tourism or spiritual and aesthetic appreciation (IPCC, 2022).

Free, Prior, and Informed Consent

A specific right granted to Indigenous Peoples. FPIC allows Indigenous Peoples to provide or withhold/withdraw consent at any point in projects that impact them and/or their territories, and to engage in negotiations to shape the design, implementation, monitoring, and evaluation of projects (FAO, n.d.).

Greenwashing

A practice where sustainability-related statements, declarations, actions, or communications do not clearly and fairly reflect the underlying sustainability profile of an entity, a financial product, or financial services. This practice may be misleading to consumers, investors, or other market participants (ESMA, 2023).

Leakage

The unintended displacement of environmental harm (often manifesting as land-use spillover) caused by an environmental policy or intervention (conservation or restoration activities). This displacement reduces the overall benefits and effectiveness of the original policy (Meyfroidt, et al., 2020).

Loss Avoidance Credit

One of the two RFI Credit Archetypes in this study which are generated from interventions that protect, maintain and steward ecosystem health (halting nature loss).

Monitoring, Reporting, and Verification

Provides a foundational framework for tracking progress against environmental goals, particularly concerning greenhouse gas emissions (mostly used in carbon markets) (Sustainability Directory, 2025).

Other Effective Area-based Conservation Measures (OECM)

A geographically defined area, other than a protected area, that is governed and managed in ways that achieve positive and sustained long-term outcomes for the in-situ conservation of biodiversity, with associated ecosystem functions, services, and relevant cultural and socio-economic values (CBD, 2018).

Payment for Ecosystem Services

A voluntary transaction to preserve or enhance at least one well-defined environmental service, between at least one provider, who clearly cannot be subject to the polluter pays principle, and at least one buyer, who offers a payment over a limited period as a means for investment in locally productive and sustainable activities. (Wunder, 2015).

Permanence

The permanence of a unit of carbon removal or biodiversity gain refers to the likelihood of the CO₂ sequestered, or biodiversity gained being maintained into the future. (rePLANET, 2023).

Restoration Credit

One of the two RFI Credit Archetype in this study which are generated from activities that restore degraded wetlands ecosystems (reversing nature loss) to its fully functioning state.

Regional Flyway Initiative

A large-scale transboundary program that seeks to mobilize \$3 billion in investments over ten years to protect, restore, and sustainably manage a comprehensive network of threatened natural wetlands— including mangrove forests, peatlands, marshes, tidal mudflats, and coral atolls—along the East Asian-Australasian (EAA) Flyway (Asian Development Bank, 2021).

Science-based Target Network

A global collaboration that enables companies and cities to set and achieve science-based targets for nature, ensuring their actions are aligned with global sustainability goals and contribute to a nature-positive future. It provides guidance and frameworks for assessing impacts and dependencies on nature

and setting ambitious, measurable targets (SBTN, n.d.).

Task Force on Nature-related Financial Disclosures

A global initiative that provides a framework for organizations to report and act on nature-related risks and opportunities. Its recommendations aim to help financial institutions and companies integrate nature into their decision-making, leading to more sustainable financial flows and positive outcomes for nature (TNFD, n.d.).

Tenure

The relationship, whether legally or customarily defined, among people, as individuals or groups, with respect to land. (For convenience, “land” is used here to include other natural resources such as water and trees.) Land tenure is an institution, i.e., rules invented by societies to regulate behaviour. Rules of tenure define how property rights to land are to be allocated within societies. They define how access is granted to rights to use, control, and transfer land, as well as associated responsibilities and restraints. (FAO, n.d.).

Wetland

Areas where water is the primary factor controlling the environment and the associated plant and animal life. Wetlands occur where the water table is at or near the surface of the land, or where the land is covered by shallow water. Under the Ramsar Convention, wetlands include lakes, rivers, swamps, marshes, mangroves, estuaries, tidal flats, coral reefs, peatlands, and human-made sites such as fishponds and reservoirs (Ramsar, 2016).

III. Summary of Phase 1 Nature Credits Background Study

This Phase 2 report builds on Phase 1 of the ADB Nature Credits Study, which examined the potential of nature credits as a scalable, high-integrity mechanism to mobilize private capital for wetland conservation under the Regional Flyway Initiative (RFI).

Phase 1 of this study highlighted the ecological and socioeconomic importance of wetlands along the East Asian-Australasian Flyway (EAAF) and explored the potential for nature credits to support the ongoing protection and conservation of these wetlands. The wetlands of the EAAF support over 50 million migratory waterbirds and sustain millions of people, while also being vulnerable to mounting threats from development and climate change. With the global biodiversity financing gap projected to exceed USD 1.15 trillion annually by 2030, nature credits are emerging as a promising market-based mechanism to channel private investment and secure durable conservation outcomes.

Defining Nature and Nature Credits

The Phase 1 study adopted the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) definition of Nature as *"the natural world, including people, and the interactions among living organisms and their environment."* Nature Credits have been defined **as evidence-based units of ecological improvement designed to drive and finance the halt and reversal of nature loss**. This framing captures the full range of ecosystem values, biodiversity, climate resilience, and community benefits, ensuring strong alignment with the goals of the RFI.

Carbon and Nature Credits: Complementary but Distinct

While nature credits encompass carbon credits within their broader scope, the two are treated as distinct environmental assets at this stage of market evolution. Carbon credits, being more mature and widely established, offer a reference point for shaping high-integrity nature credit mechanisms. However, as accounting methodologies, governance systems, and demand for integrated nature-climate outcomes advance, these instruments are expected to gradually converge. For now, carbon credits remain a separate market instrument, opening opportunities for **stacking** (carbon and nature credits from the same parcel of land) or **stapling** (carbon credits from related sites or activities alongside nature credits). Appendix 1 provides a comparative overview of carbon and nature conceptual frameworks.

Design Principles of Nature Credits

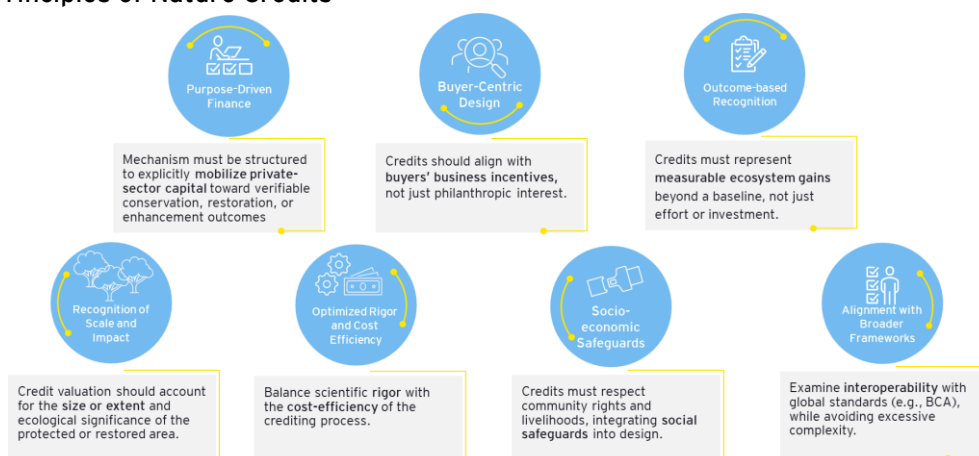


Figure 1. Nature Credit Design Principles

Effective nature credit mechanisms channel private finance toward measurable conservation and restoration outcomes by aligning with ecosystem improvement goals, meeting buyer priorities, and ensuring credit represents real ecological gains (Figure 1). They should be purpose-driven and

outcome-based, while balancing scientific rigor with cost efficiency. Credible nature credit mechanisms should also embed socio-economic safeguards into project design by respecting community rights, applying benefit-sharing models, and ensuring local participation. Finally, alignment with global frameworks and standards is important to guarantee credibility, comparability, and interoperability across emerging nature markets.

Actors and Relationship in the Nature Credits Market

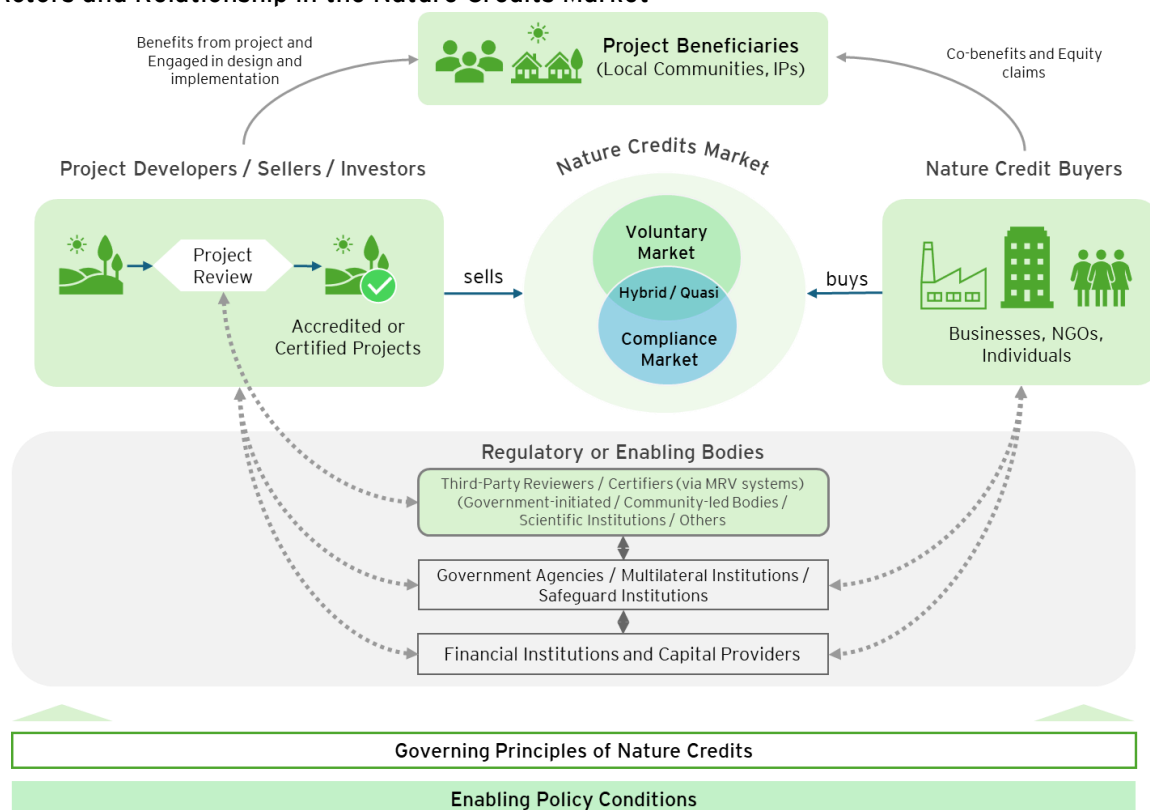


Figure 2. High-level Map of Actors and Relationships in Nature Credit Markets

Activating a nature credits market requires clear definitions of the actors, platforms, and supply-demand dynamics, drawing strong structural parallels to the design of carbon markets (Figure 2). Nature credits extend these models by embedding a broader set of ecological outcomes, emphasizing governance and community participation as integral design features.

Nature credit project developers and stewards of nature (NGOs, ethnic groups, and local communities) may create and manage projects; buyers (corporates and investors) drive demand and are the purchasers of credits; and beneficiaries (local communities and ethnic groups) share the social and economic benefits arising from these projects when developed and delivered effectively, supported by transparent benefit-sharing policies and safeguards.

Standard setters and registries establish methodologies and platforms, while governments and multilaterals provide enabling policies, regulations, and early financing. Mapping these stakeholder relationships is important to understanding how a high-integrity nature credit market can operate within the RFI context.

Nature Dependency and Market Demand

The Phase 1 study introduced a Tiered Nature Dependency Framework, categorizing potential buyers based on their direct or indirect reliance on nature and related ecosystem services (Figure 3). This

framework allows profiling of credit users, clarifies safeguards required for different buyer types, and supports more targeted engagement strategies. This tiered approach highlights the potential relevance of nature credits to a wide range of industries, investors, and communities.

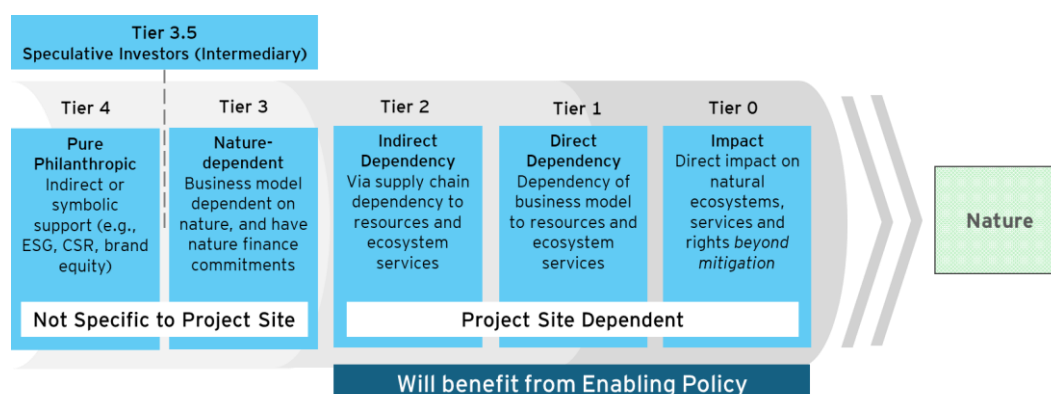


Figure 3. Tiered Nature Dependency Framework

- **Tier 0 (Residual Impacts):** Applies when all steps in the mitigation hierarchy have been exhausted and unavoidable residual impacts on nature remain. Nature credits here function as additional contributions made by companies that may already be requiring offsets and/or managing direct site-based impacts on nature, requiring strong safeguards and regulatory oversight to avoid greenwashing and ensure high-integrity claims.
- **Tiers 1-2 (Dependency Integration):** Represent buyers whose operations or supply chains depend on ecosystem services, but whose nature-related impacts and obligations may not yet be fully captured by regulatory, accounting, or recognized impact evaluation frameworks. For these actors, nature credits serve as tools for resilience building and contribution claims, integrating nature into business models and investment planning beyond offsetting logic.
- **Tiers 3-4 (Voluntary and Ethical Engagement):** Include buyers motivated by ESG, CSR, or philanthropic goals, seeking to advance ethical leadership, reputational value, or long-term sustainability commitments. Their participation expands the market base and supports the scaling of high-quality restoration and protection initiatives.
- **Tier 3.5 (Speculative Investors):** Refers to financial actors acquiring credits from any tier primarily for investment or trading purposes. While they lack direct ecological dependencies, their participation can enhance liquidity and price discovery, provided that high-integrity standards are maintained.

Together, these tiers illustrate the spectrum of motivations and safeguards needed to sustain an inclusive, credible, and scalable nature credit market. In the RFI context, this tiered framing helps align wetland restoration and conservation opportunities with the most appropriate buyer categories balancing integrity, transparency, and market growth.

RFI Nature Credits: Activities and Credit Archetypes

Qualifying projects under a nature credit framework requires recognizing the full range of eligible activities across the restoration spectrum. The Restorative Continuum Framework, aligned with the UN Decade on Ecosystem Restoration, highlights actions encompassing protecting intact ecosystems to managing modified areas and restoring degraded sites. For this study, eligible activities have been distilled into two archetypes (Figure 4): Restoration, which reverses degradation to enhance ecosystem health and services, and Loss Avoidance (or Maintenance and Protection), which prevents further decline by maintaining ecological functions and protecting against threats. In practice, these

approaches often converge and are most effective when applied together, particularly in RFI wetlands where pressures, such as pollution, habitat loss, and land-use change persist despite formal protections.

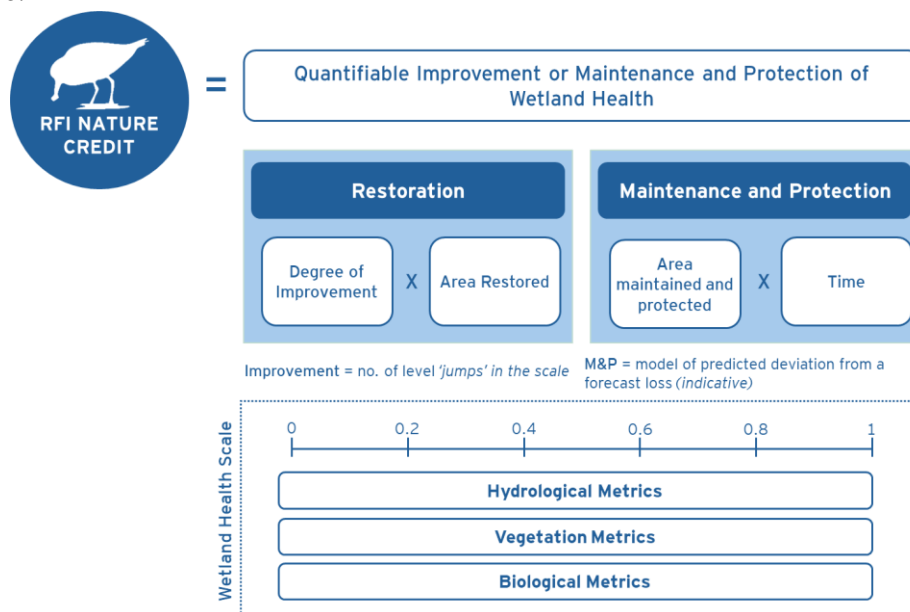


Figure 4. RFI Nature Credit Archetypes

Within the RFI nature credit framework, Restoration Nature Credits are generated from activities that recover degraded wetlands and improve their ecological function, while Loss Avoidance Nature Credits are derived from actions that protect and maintain wetlands already in good or recovering condition. Both are underpinned by wetland health metrics that assess ecological condition across three core dimensions: hydrology, vegetation, and biology, using a standardized 0 to 1 scale from fully degraded to reference condition. This results-based approach ensures that credits represent measurable ecological outcomes, enabling transparent tracking of wetland recovery and protection across RFI sites.

Nature Credit Principles: High Integrity Considerations:

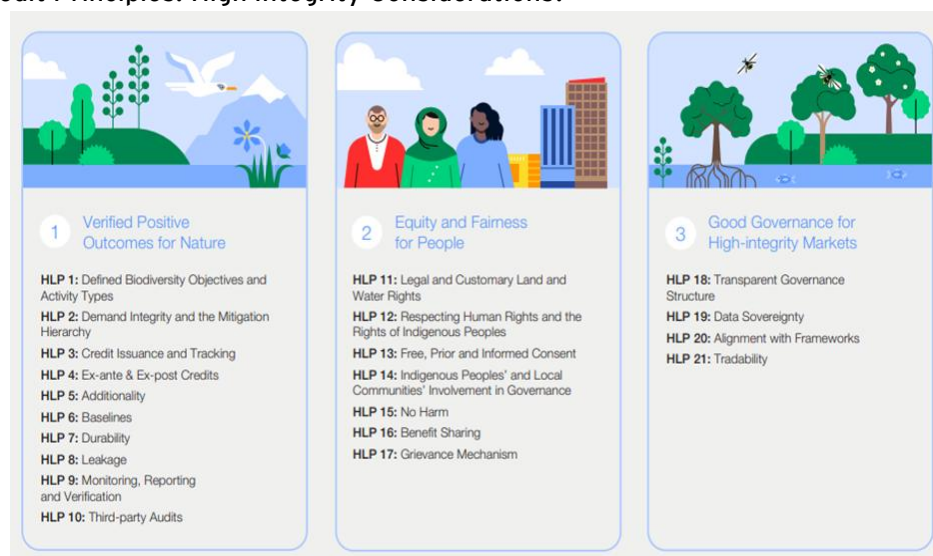


Figure 5. High Level Principles from UNDP Biodiversity Credit Alliance

Finally, Phase 1 of this study aligned the RFI framework with the High-Integrity Principles (HIPs) developed by the UNDP Biodiversity Credit Alliance (BCA), in partnership with the World Economic Forum (WEF) and the International Advisory Panel on Biodiversity Credits (IAPB). These 21 principles

(Figure 5) emphasize measurable outcomes for nature, equity for people, and strong governance, synthesize lessons from more than 20 existing standards across carbon and biodiversity markets. Applying these principles to nature credits in the context of RFI ensures credibility and inclusiveness while acknowledging that practical implementation will vary depending on country-specific ecological and institutional contexts.

Enabling Conditions for Nature Credits Mechanism

Phase 1 of the Nature Credits Study also examined the policy, institutional, and financial environment necessary to establish credible and investable nature credit mechanisms. To simplify these findings, the enabling conditions have been structured under five enabling pillars that collectively define the foundation for operationalizing nature credit markets. These pillars provide the analytical basis for assessing country readiness in this Phase 2 report. Specifically:

- **Market Incentives:** Phase 1 emphasized the importance of financial incentives and participation pathways to unlock private investment in nature. Governments play a key role in stimulating market participation through fiscal measures (e.g. tax breaks), concessional or blended finance, and the integration of nature credits into ESG and green-finance frameworks. Early public or philanthropic funding can de-risk pilots and attract private investors, helping bridge conservation finance with broader nature-positive markets.
- **Legal and Policy Foundations:** Phase 1 identified that robust legal and policy scaffolding is essential to legitimize credit markets and signal long-term government commitment. Enabling laws and strategies should define project eligibility, ownership, benefit-sharing, and verification rules. International recognition under frameworks, like the CBD and the Paris Agreement, was emphasized as critical for credibility and investor trust. Without these anchors, nature credit systems risk remaining fragmented and voluntary.
- **Standards, Metrics, and Market Infrastructure:** Strong technical foundations were seen as key to ensuring integrity and transparency. Phase 1 underscored the need for standardized crediting methodologies, measurable indicators for ecosystem outcomes, and MRV (measurement, reporting, and verification) systems compatible with international standards. Establishing national registries or linking to global platforms was recommended to build transparency and interoperability for future trading.
- **Governance and Institutions:** Effective governance was identified as the accountability core of nature credit systems. Phase 1 highlighted the need for clear institutional mandates, coordination across environment, finance, and planning agencies, and capacity-building for local institutions. Governments were advised to focus on enabling regulation and oversight, rather than market operation, ensuring transparency, independent verification, and inclusive participation of local communities.
- **Social Equity and Safeguards:** This pillar underlines that equitable participation and strong safeguards are central to the integrity and social legitimacy of nature-credit systems. Ethnic Groups and Local Communities must be actively involved in the design and governance of credit projects, with their rights, tenure, and traditional knowledge explicitly recognized. Clear benefit-sharing mechanisms and grievance-redress systems are essential to ensure inclusivity and prevent elite capture. Safeguard frameworks should also manage trade-offs among land uses and ensure that credit projects complement, rather than conflict with, local development priorities.

IV. Introduction and Background

A. Background and RFI Context in the Philippines

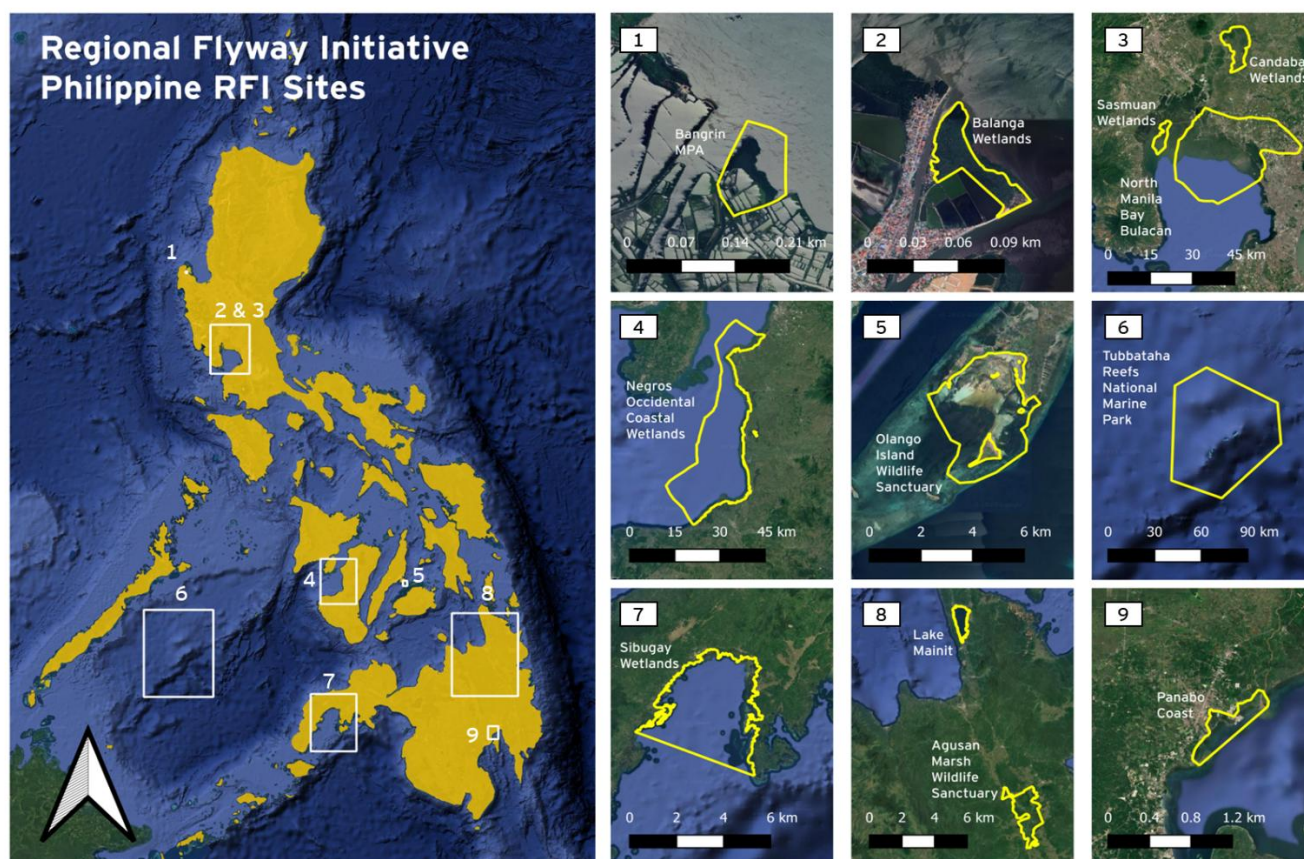


Figure 6. Philippine Regional Flyway Initiative (RFI) Sites

Building on the conceptual foundations developed in Phase 1, this Phase 2 report applies the emerging nature credit framework to the Philippines, one of the pilot case study countries of this current nature credit study, alongside Bangladesh and Thailand. In the Philippines, the RFI has identified twelve priority wetland sites (Figure 6), nine coastal (Bangrin MPA, Balanga Wetlands, Sasmuan Wetlands, North Manila Bay Bulacan, Negros Occidental Coastal Wetlands Conservation Area, Olango Island Wildlife Sanctuary, Tubbataha Reefs National Park, Zamboanga Sibugay Wetlands, and Panabo Coast) and three inland wetlands (Agusan Marsh, Lake Mainit, and Candaba Wetlands), aligned with national and international conservation frameworks, such as the Ramsar Convention, EAAFP, and Important Bird and Biodiversity Areas (IBA) network.

The Philippine RFI wetlands, spanning diverse systems from expansive mangrove-dominated coasts and estuaries to freshwater marshes, lakes, bays, and coral reef parks, deliver nationally and globally significant ecosystem services across more than 800,000 hectares of wetland habitats. Flagship sites such as Agusan Marsh Wildlife Sanctuary, Tubbataha Reef Natural Park, and the Zamboanga Sibugay Wetlands (all Ramsar and/or Flyway-designated) underpin food security and local livelihoods through fisheries, agriculture, and wood products, while safeguarding communities through flood and storm regulation, water purification, and local climate regulation. Coastal Ramsar landscapes in Negros Occidental and North Manila Bay (including Sasmuan) support migratory waterbirds and enable recreation, tourism, and education, with community alliances such as Negros Occidental Coastal Wetlands Management Alliance (NOCWMA) and Local Government Unit-led (LGU) management models enhancing stewardship. Meanwhile, sites such as Candaba Wetlands, Lake

Mainit, Balanga Wetlands (Bataan), and Olango Island Wildlife Sanctuary combine provisioning services like food and freshwater with cultural values such as ecotourism, heritage, and knowledge systems, reflecting the breadth of benefits across estuarine, lagoon, lake, and reef ecosystems. Several locations already attract or align with co-financing opportunities, including GEF-8 RFI support at Candaba, Lake Mainit, and Zamboanga Sibugay¹, and early pilot nature credit efforts at Tubbataha Reefs Natural Park² with Conservation International, providing a strong foundation for scaling nature-positive financing.

Despite their ecological and economic importance, these wetlands face high-impact key drivers of change. Inland systems such as Agusan Marsh and Lake Mainit experience drivers linked to agriculture and forestry effluents, agrochemical runoff, erosion and siltation, hydropower development and associated hydrological alteration, and persistent gaps in waste management. Across North Manila Bay (Bataan, Bulacan, and Pampanga), Candaba, and the Panabo Coast, the dominant drivers include commercial and industrial expansion, pollution, housing and settlement encroachment, aquaculture intensification, fishing pressure (including harvesting and killing of wildlife), sewage and solid waste loads, invasive species, and fragmentation or loss of hydrological connectivity. Coastal and marine sites such as Bangrin MPA, Zamboanga Sibugay, the Negros Occidental Coastal Wetlands Conservation Area (NOCWCA), and Olango additionally face tourism growth and shipping and port-related impacts. These combined drivers underscore the urgency of deploying nature-positive financing³ tools, notably nature credits, blended finance, and results-based conservation, to support protection, restoration, and long-term resilience of the Philippines' RFI wetland portfolio. *(A detailed site-by-site summary of ecosystem services, management arrangements, and drivers of change is provided in Appendix 2.)*

During the RFI's initial phase, country-specific activities included site identification and prioritization, capacity building on ecosystem services assessment and nature-based solutions, and stakeholder coordination among government agencies, local communities, and conservation partners. The technical assistance component likewise sought to establish a financing mechanism to channel resources from EAAFP members, development partners, and private investors toward high-priority wetland projects. Among the data and materials emerging from previous efforts are early-stage site concepts (site studies) on twelve sites, which provided key information about each area (such as location and size, socio-ecological features, key ecosystem services, threats and drivers of change, stakeholders and management paradigms, among others) with ultimate objective to provide recommendations on potential projects and likely financing mechanisms to conserve the site. These site studies form part of the site data used in this Phase 2 report, with this Study validating or expanding information via stakeholder consultations, desktop research, and key informant interviews.

B. Objectives of the Study and Overarching Approach

This report focuses on applying the nature credit framework to the context of the Philippines, with the aim to assess how the mechanism can be embedded within national policy, institutional, and market systems, and to assess the readiness of selected wetland sites to host nature credit activities.

¹ Global Environment Facility. (2024). GEF-8 Project Identification Form (PIF). Scaling-up Conservation and Sustainable Management of Priority Wetlands of the East Asian-Australasian Flyway in the Philippines (PHIL FLYWAY). https://publicpartnershipdata.azureedge.net/gef/GEFProjectVersions/dfb26f17-dee7-ee11-904c-0022480b9cb7_PIF.pdf

² Tubbataha Reefs Natural Park. (2024). Conservation at Work 2024 TMO Annual Report. <https://img1.wsimg.com/blobby/go/a6e8679e-19dc-4a2b-8c4f-4ec1c667e7e3/2024AnnualReport-LR.pdf>

³ Nature-positive finance refers to finance that supports actions that protect, restore or enhance sustainable use and management of nature, or enables these actions contributing to the implementation of the KMGBF and its broad ambition to halt and reverse nature loss by 2030, with a view to full recovery by 2050 (Multilateral Development Banks, 2023).

The study also develops a practical roadmap for integrating nature credits into national conservation and financing strategies.

Bilateral meetings were conducted with representatives from the selected site managers, non-government organizations especially conservation entities with involvement in RFI sites, and private sector with potential interest in nature credit mechanisms. The insights of these key stakeholders on opportunities, barriers, and priority actions for nature credits were incorporated into this report.⁴

Overarching Approach for Country Report

This country report applies a structured, stepwise approach to assess the potential for nature credit mechanisms across Philippines' priority wetlands under RFI (as outlined in Figure 7).

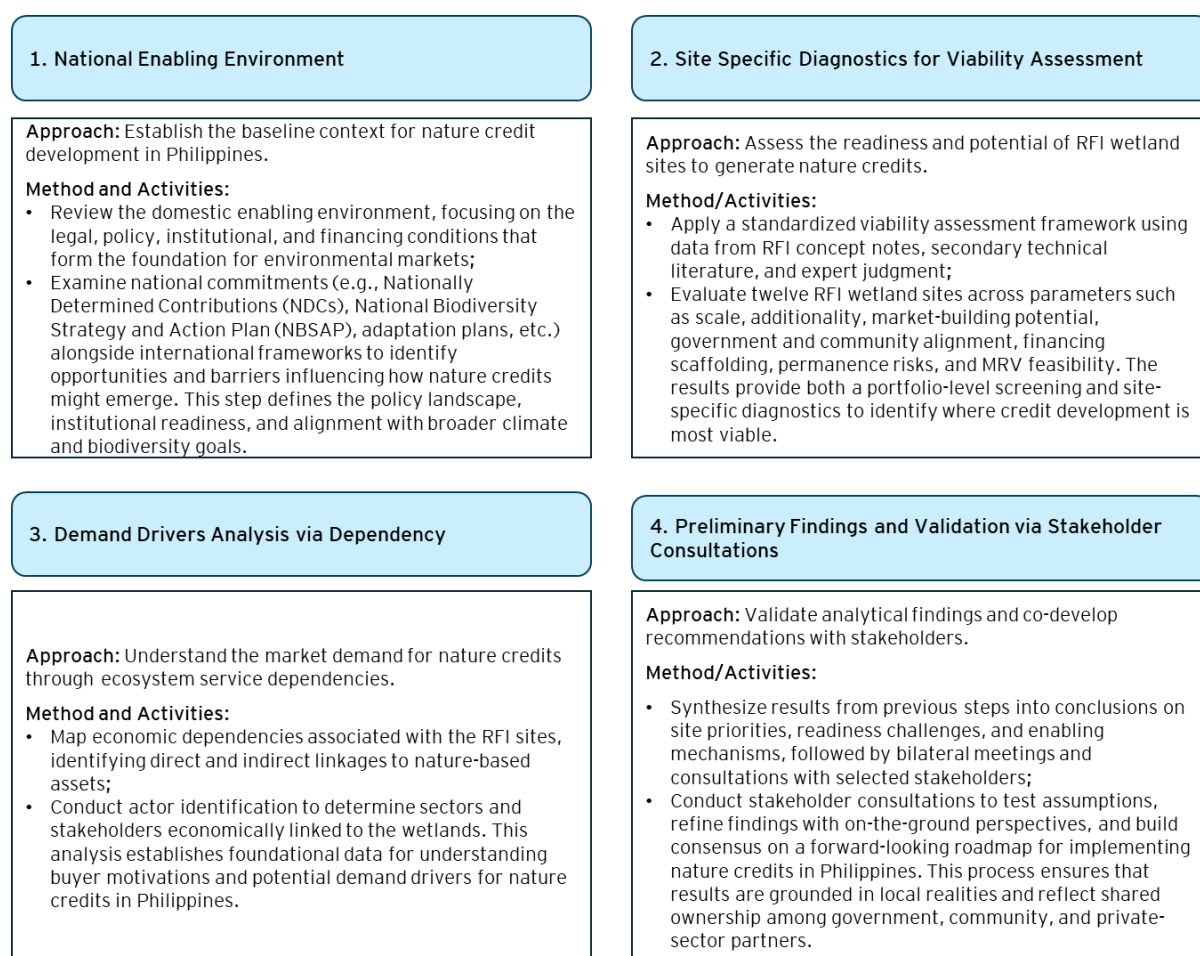


Figure 7. Overarching Approach for Assessing Nature Credit Potential across RFI Sites in Philippines

Together these four steps provide the key considerations, from policy assessment to site diagnostics, market demand analysis, and stakeholder validation, through bilateral meetings with selected RFI stakeholders, offering an integrated view of the enabling conditions and emerging opportunities for nature credit development in the Philippines. The findings presented in the following sections are intended to inform further site-level analyses and stakeholder engagement, serving as an initial foundation for refining and operationalizing nature credit mechanisms across the RFI sites.

⁴ More details on the country workshop are discussed and integrated in the following sections,

V. The Philippine Policy and Institutional Landscape

A. National Policies, Strategies, and Governance Relevant to Nature Credits

The Philippines has developed a significant foundation of environmental and climate-related policies, covering a wide range of themes including biodiversity conservation, protected area management, land use, forestry, and climate change adaptation and mitigation. However, **a dedicated legal or regulatory framework specifically designed to govern nature credit markets**, covering aspects such as credit issuance, verification, trading, and environmental integrity, **does not yet exist**. This represents a critical policy gap, especially if the country intends to mobilize private finance and scale investments in conservation through market-based instruments. It is important to stress that **whilst a government-run nature credit scheme would be valuable, it should not be viewed as the sole pathway to activating a functioning nature credit market**. Comprehensive policy reform of the scale identified above will inevitably take time; however, this should not become a barrier to early-stage, private-sector-led pilots supported by ADB and other development finance institutions. Early market testing can generate practical insights, build confidence among stakeholders, and deliver proof-of-concept transactions that can inform and accelerate the eventual design of a robust national framework.

The summary below presents an assessment of key policy and institutional elements in the Philippines based on current maturity and readiness to support the development of a nature credit mechanism. These elements follow the enabling conditions outlined in Phase 1 of this study. Such conditions reflect good international practice and minimum guardrails necessary for establishing credible, transparent, and effective environmental markets that support nature-positive contributions.

This section examines the Philippines' national enabling environment through the lens of five enabling pillars namely: Market Incentives; Legal and Policy Foundations; Standards, Metrics, and Market Infrastructure; Governance and Institutions; and Social Equity and Environmental Standards. These pillars serve as the analytical framework for this section and provide the foundation for the subsequent high-level site viability assessment presented in Section VIII. Accordingly, the analysis begins with a national-level scoping of enabling and inhibiting conditions (as discussed in this section) and progresses toward a site-level viability diagnostic in the following section.

To provide a structured assessment, Table 1 classifies each enabling condition using a three-tier traffic-light system: **Gap**, **Emerging**, and **Existing**. This approach moves beyond a simple presence/absence distinction by capturing the spectrum of readiness across enabling conditions. The assessment was informed by desktop research complemented by expert knowledge on the national frameworks and programs relevant to environmental governance, climate action, and biodiversity conservation and/or financing. For each condition, the table identifies relevant laws, policies, programs, and initiatives, accompanied by an explanation of how these enable, inhibit, or potentially constrain or support the development of a nature credit mechanism in the context of the Philippines.

It is important to note that this analysis is based solely on available secondary information and reflects a preliminary, high-level assessment. The findings are intended to serve as a diagnostic input, highlighting strengths and areas for potential improvement in the enabling environment for nature credit development, rather than as a definitive evaluation of government policy or institutional performance. Box 1 summarizes these perspectives from the bilateral meetings with selected stakeholders.

Table 1. Assessment Nature Credit Readiness

Cluster	Enabling Condition	Status	Relevant Policies / Programs / Initiatives	Implications for Nature Credit Mechanism
Market Incentives	Incentives for Market Participation Creates demand signals and lowers barriers for private investment in credit markets.	Emerging	- ER 1- 94- Rules and Regulations Implementing Section 5(I) Of Republic Act No. 7638, Otherwise known as the Department of Energy Act of 1992 - MC 2025-010- Revised Corporate Community Partnership for Development Program - RA 9513 Renewable Energy Act of 2008 via Revenue Regulation No. 7-2022 - RA 10771 Green Jobs Act - RA 7942 Philippine Mining Act- Integrated Environmental Protection and Enhancement Program (IEPEP) Pending legislations: - RA 11375 Low Carbon Economy Investment Bill	Existing fiscal and employment incentives (e.g., Renewable Energy Act, Green Jobs Act) demonstrate the government's willingness to use tax and labor instruments to stimulate green sectors. However, incentives are currently focused on renewable energy and low-carbon industries, not biodiversity or ecosystem services. The proposed Low Carbon Economy Investment Bill could broaden green investment incentives, but explicit inclusion of nature-based or biodiversity credit activities would be required. Additionally, the IEPE Program under the PH Mining Act requires contractors to implement environmental protection and rehabilitation activities before and during mining operations. When designed strategically, these same activities can be aligned with offsetting frameworks, enabling future opportunities to issue nature credits. Related mechanisms such as ER 1-94, which allocates funds from energy projects for community and environmental initiatives, and MC 2025-010 on Corporate Community Partnership for Development, which strengthens private sector support for community-based sustainability efforts, further provide entry points for integrating ecosystem restoration and conservation. Existing mechanisms could be expanded to recognize ecosystem restoration and conservation as eligible green investments, thereby lowering barriers for private participation in future nature credit markets.
Legal and Policy Foundation	Dedicated Legislation for Nature Credits <i>Provides the legal framework for credit issuance, verification, trading, and market integrity.</i>	Gap	- RA 11995 Philippine Ecosystem and Natural Capital Accounting System (PENCAS) Act - RA 9729 Climate Change Act - RA 7586 National Integrated Protected Area System (NIPAS) Act as amended by RA 11038 Expanded NIPAS - RA 8550 Philippine Fisheries Code through MOA between DENR and Department of Agriculture (Mangrove Restoration in Abandoned, Undeveloped and Underutilized Fishponds) - DENR DAO 2026-02 adopting Roadmap to Readiness in the Voluntary Carbon Markets - DOE DC2025-09-0018 Carbon Credits Framework in Energy Sector	The Philippines has strong environmental and climate legislation (e.g., Climate Change Act, NIPAS/E-NIPAS, Fisheries Code), but none explicitly establish a biodiversity or nature credit framework governing issuance, verification, trading, and liability. Emerging carbon-focused frameworks (e.g., DOE Carbon Credit Framework, DENR VCM Roadmap) provide early institutional scaffolding that could be expanded beyond carbon. However, absence of explicit legal recognition of biodiversity credits may create uncertainty around tenure rights, additionality,

Cluster	Enabling Condition	Status	Relevant Policies / Programs / Initiatives	Implications for Nature Credit Mechanism
			Pending legislations: • HB 11375 Low Carbon Economy Investment Bill • SB 124 National Wetland Conservation Bill	and enforcement and implementation. Future legislation clarifying credit ownership, registry authority, and compliance rules would significantly enable market integrity and investor confidence.
	Strategic Policy Frameworks <i>Sets national priorities and provides policy alignment with international biodiversity and climate goals.</i>	Existing	• The Updated Philippine Biodiversity and Strategy Action Plan (PBSAP) 2024-2040 • Philippine Development Plan (PDP) • National Climate Change Adaptation Plan (NCCAP) • Philippine Sustainable Finance Taxonomy Guidelines (SFTG) • Climate Finance Strategy (CFS) • Philippine Biodiversity Finance Plan 2016 • Philippine Roadmap to Readiness in the Voluntary Forest Carbon Market (2026-2030) positions PH as “high integrity” forest carbon destination; assigns roles incl. blue carbon oversight Under development: • Philippine National Blue Carbon Action Plan (PNBCAP) • Policy Study by UNDP BioFin on Biodiversity and Nature Credits	National strategies (PBSAP, PDP, NCCAP, Sustainable Finance Taxonomy, Climate Finance Strategy, Blue Carbon Action Plan) strongly align biodiversity, climate, and sustainable finance objectives. These frameworks create a supportive narrative for nature-based solutions and blended finance. However, most remain programmatic and carbon-oriented, with limited to no operational guidance for biodiversity crediting. Integrating explicit market-based conservation instruments into these strategies could formalize pathways for private capital participation and signal long-term government commitment to nature credit development. Arising developments from UNDP BIOFIN include policy support for the Philippines in the development of a policy study and framework on biodiversity credits. One notable effort to pilot biodiversity or nature credits is being led by Conservation International in Tubbataha, where they are exploring the issuance of <i>Tubbataha Conservation Certificates</i> anchored on a nature credit logic to support the financing of conservation management activities within the protected area.
	International Recognition and Alignment <i>Aligns the country with global standards and strengthens legitimacy of credit systems.</i>	Emerging	The Philippines is a contracting party or a signatory to international commitments such as the: • UN Framework Convention on Climate Change (UNFCCC) • Convention on Biological Diversity (CBD) • Ramsar Convention on Wetlands • Convention on Migratory Species (CMS)	The Philippines’ commitments under the UNFCCC, CBD, Ramsar Convention, CMS, and other international cooperation mechanisms, provide international legitimacy and alignment with global biodiversity and climate standards. This strengthens credibility for future nature credit systems, particularly if aligned with evolving global biodiversity credit principles. However, translating treaty commitments into domestic regulatory mechanisms remains a key step. International alignment positions the Philippines favorably for participation in voluntary and potentially compliance-based biodiversity markets.

Cluster	Enabling Condition	Status	Relevant Policies / Programs / Initiatives	Implications for Nature Credit Mechanism
Standards, Metrics, and Market Infrastructure	Project Eligibility and Standards <i>Defines what types of projects can qualify for credits, ensuring credibility and comparability.</i>	Emerging	DENR Administrative Order (DAO) 2021-43 Guidelines on the Establishment of the Carbon Accounting, Verification, and Certification System DENR DAO 2026-02 adopting Roadmap to Readiness in the Voluntary Carbon Markets	Existing carbon accounting systems (DAO 2021-43) and the Voluntary Forest Carbon Market Roadmap establish early standards infrastructure, primarily for forest carbon (both terrestrial and blue/marine). While these provide methodological foundations, eligibility criteria remain carbon-centric and do not yet define biodiversity or ecosystem service credit categories. Expansion of eligibility rules to cover other wetlands, ecosystem services beyond carbon, and species-level conservation outcomes will be necessary.
	Standards, Metrics, and MRV <i>Ensures transparent, credible measurement of biodiversity and ecosystem outcomes.</i>	Emerging	- DENR Biodiversity Assessment and Monitoring Methods (DENR BAMS) and other recognized Biodiversity (Ecosystem or Taxa-specific) Assessment Methods RA 11995 Philippine Ecosystem and Natural Capital Accounting System (PENCAS) Act Sukat ng Kalikasan Tool (<i>Measurement of Nature</i>) RA 7586 as amended by RA 110388 NIPAS/E-NIPAS Act RA 8555 Fisheries Code - RFI Early-stage Site Concepts (Site Studies) (carbon sequestration, flood regulation, coastal protection valuation) Carbon-focused MRVs: DENR Administrative Order (DAO) 2021-43 Guidelines on the Establishment of the Carbon Accounting, Verification, and Certification System (CAVCS) DAO 2021-32 Guidelines on the Operationalization of National Forest Monitoring System for the Implementation of the Philippine REDD+ Strategy DENR DAO 2026-02 Voluntary Forest Carbon Market Roadmap mentions the National Forest Monitoring System + Forest Carbon Credit Database	The Philippines has relatively strong biodiversity monitoring tools (DENR BAMS, Sukat ng Kalikasan) and established forest carbon MRV systems (NFMS, REDD+, CAVCS). This provides a strong technical base for measurement and reporting. However, integration of biodiversity metrics into a standardized, credit-ready MRV framework remains incomplete. Data systems exist but are fragmented across agencies and ecosystems. Developing unified MRV protocols tailored to biodiversity and ecosystem services will be critical to ensuring credit integrity, comparability, and investor trust. RA 11995 (Philippine Ecosystem and Natural Capital Accounting System (PENCAS) Act) plays an important enabling role by institutionalizing natural capital accounting. It requires ecosystems and ecosystem services to be measured in both physical and monetary terms, aligned with the UN SEEA framework. This helps: - Elevate biodiversity from an externality to recognized economic capital - Provide standardized valuation that can inform pricing and investment decisions - Promote inter-agency data harmonization for more consistent baselines However, PENCAS operates at a national accounting level and does not yet establish project-level crediting rules (e.g., additionality, permanence, verification). It provides the economic valuation backbone, but

Cluster	Enabling Condition	Status	Relevant Policies / Programs / Initiatives	Implications for Nature Credit Mechanism
	Operational Credit Registry or Exchange <i>Provides infrastructure for issuing, tracking, and retiring credits transparently.</i>	Gap	DENR DAO 2026-02 Voluntary Forest Carbon Market Roadmap calls for Forest Carbon Credit Database DOE DC2025-09-0018 establishes governance for energy-sector carbon credits Department of Energy Circular No. DOE DC 2019-12-0016 Promulgating the Philippine Renewable Energy Market Rules-registry for creating, tracking, transferring and retiring Renewable Energy Certificates (RECs)	further work is needed to translate natural capital accounts into credit-ready MRV systems. Registry infrastructure exists in the Philippines for energy attribute certificates (via the REM registry under DOE DC2019-12-0016) and sectoral carbon credits (via DOE DC2025-09-0018). In addition, proposals for a National Carbon Registry are underway, and the DENR Roadmap to Readiness for the Voluntary Forest Carbon Market (VFCM) explicitly calls for the creation of a Forest Carbon Credit Database. While initially limited to forest carbon, this database could serve as a practical pilot for domestic credit tracking and provide technical and governance foundations for a broader future nature credits registry. However, no operational biodiversity or ecosystem credit registry currently exists. The absence of a centralized, cross-ecosystem registry creates risks of double counting, fragmented issuance, and limited transparency across carbon and potential nature credit systems. In the interim, projects may rely on international registries, but developing an interoperable domestic registry, building on the REM system and the proposed VFCM forest carbon database, would strengthen market sovereignty, transparency, and alignment with national carbon accounting and natural capital systems.
Governance and Institutions	Oversight Mechanism / Designated Authority <i>Ensures accountability, coordination, and integrity in credit market oversight.</i>	Emerging	Relevant agencies for Nature Credit Market: - Department of Environment and Natural Resources (DENR) - Climate Change Commission (CCC) - Department of Finance (DoF) - Department of Agriculture- Bureau of Fisheries and Aquatic Resources (DA-BFAR) for fisheries sector - Bangko Sentral ng Pilipinas [<i>Central Bank of the Philippines</i>] (BSP) - Department of Economy, Planning, and Development (DEPDev) DENR DAO 2026-02 Voluntary Forest Carbon Market Roadmap assigns lead roles for terrestrial carbon (FMB) and BMB (blue carbon)	Multiple institutions (DENR, DA-BFAR, CCC, DoF, BSP, DEPDev) have relevant mandates, and the VFCM Roadmap assigns carbon oversight roles. Notably, the new DENR DAO on forest carbon designates the Forest Management Bureau (FMB) as the lead agency for terrestrial forest carbon, and the Biodiversity Management Bureau (BMB) as the lead for marine and blue carbon ecosystems. This provides clearer sectoral leadership within DENR for forest-based carbon initiatives. However, while institutional capacity exists, no single designated authority currently governs nature credits comprehensively across ecosystems. Clear designation of an overarching lead agency, or the creation of a

Cluster	Enabling Condition	Status	Relevant Policies / Programs / Initiatives	Implications for Nature Credit Mechanism
				dedicated Nature Credit Unit, would reduce regulatory ambiguity and enhance accountability. Defined and coordinated oversight is particularly important for cross-ecosystem credits (forest, marine, wetlands) that span multiple bureaus and mandates.
	Cross-Sectoral Coordination <i>Aligns diverse mandates across agencies to operationalize market mechanisms.</i>	Emerging	CCC inter-agency Technical Working Groups (TWGs), DENR-led Climate & Biodiversity Councils/ Technical Working Groups	Inter-agency technical working groups and DENR-led councils/working groups provide coordination platforms, yet mandates remain dispersed across forestry, fisheries, finance, and development planning agencies. Overlapping jurisdiction, particularly between terrestrial and marine authorities, could slow implementation without clear coordination mechanisms. Effective nature credit markets will require structured coordination across DENR bureaus, DA, DOE, DoF, and financial regulators to harmonize standards, safeguards, and revenue flows.
Social Equity and Safeguards	IPLC Engagement and Benefit-Sharing <i>Ensures equity, safeguards tenure, and enables inclusive participation in markets.</i>	Existing	• RA 8371 Indigenous People Rights Act (IPRA) • DENR 2025-22- Sustainable Forest Land Management Agreement • DENR DAO 2026-02 Voluntary Forest Carbon Market Roadmap also outlines carbon rights and trading	The Indigenous Peoples' Rights Act (IPRA) and forest land management agreements provide a legal basis for tenure security and benefit-sharing. The VFCM Roadmap references carbon rights and trading provisions, signaling growing clarity around ownership. However, operational guidance for biodiversity credit benefit-sharing remains limited. Ensuring Free, Prior, and Informed Consent (FPIC), equitable revenue allocation, and clarity on resource tenure will be essential to prevent social conflict and strengthen market legitimacy. Existing frameworks provide a foundation but require adaptation to nature credit contexts beyond forests.
	Safeguard Policies and Trade-off Management <i>Prevents harm, manages risks, and ensures integrity of crediting outcomes.</i>	Existing	• PD 1586 Philippine Environmental Impact Statement System • DENR DMO 2025-01 as amended by DMO 2025-04 Updated Guidelines for the EIA Projects within PA, Ramsar Sites, including Verde Island Passage Marine Corridor • ADB Safeguard Policy Statement • IFC Performance Standards	The Environmental Impact Statement System and updated DENR guidelines provide established environmental safeguards applicable to conservation and infrastructure projects. International safeguards (ADB, IFC) further strengthen risk management for blended finance. While safeguard frameworks are relatively mature, credit-specific risks, such as leakage, permanence, double counting, and social safeguards, are not yet fully embedded in domestic regulations. Integrating credit-specific safeguard standards will be important to maintain integrity and international credibility.

Implications for the Philippines's Nature Credit Readiness

The traffic-light assessment of nature-credit readiness highlights not only where the Philippines has policy anchors but also the areas that require targeted reform to support a credible nature credit system. The discussion below examines the implications of the results across the five enabling condition pillars.

1. Legal and Policy Foundations: Strong Anchors but Fragmented

The Philippines has robust environmental and climate statutes that recognize natural capital and ecosystem services. Laws such as the PENCAS Act, Climate Change Act, and NIPAS/E-NIPAS provide a policy foundation for valuing ecosystems and integrating biodiversity into national planning. PENCAS, in particular, institutionalizes natural capital accounting, elevating ecosystems within economic decision-making.

However, none of these statutes establish rules for credit issuance, ownership, verification, trading, or liability. As a result, legal certainty for biodiversity or ecosystem credit markets remains limited. While carbon market scaffolding is emerging (e.g., VFCM Roadmap, DOE carbon framework), biodiversity credits lack statutory grounding. Pending reforms, such as the Low Carbon Economy Bill, could provide an entry point to embed clearer regulatory authority and market rules. Without dedicated legislation or regulatory guidance, market credibility and investor confidence may remain constrained.

Emerging developments under the UNDP Biodiversity Finance Initiative (BIOFIN) indicate an increasing focus on providing policy-level support to the Philippines in shaping the foundations for biodiversity or nature credit systems. This includes the development of a policy study that can serve as a critical basis for a potential national framework on nature or biodiversity credits. Such support reflects BIOFIN's broader role in helping countries design innovative financing mechanisms that address biodiversity funding gaps while aligning with national development priorities. In this context, the policy study is not only a technical exercise but also a strategic step toward enabling the Philippine government to explore market-based instruments, such as biodiversity or nature credits, as part of its long-term conservation and sustainable financing strategy.

2. Standards, Metrics, and Market Infrastructure: Partial and Carbon-centric

The country has comparatively strong technical tools. The PENCAS Act, Sukat ng Kalikasan, and DENR's Biodiversity Assessment and Monitoring System (BAMS) support ecological valuation and biodiversity monitoring. Carbon-focused MRV systems (NFMS, REDD+, CAVCS) further demonstrate institutional experience in measurement and reporting.

Yet biodiversity metrics remain fragmented across agencies and ecosystems, and there is no standardized, credit-ready methodology defining additionality, permanence, baselines, or comparability of nature-related outcomes. This mirrors a broader global challenge in nature credit markets: lack of agreed metrics.

Infrastructure gaps compound this issue. While registry systems exist in the energy sector (REM for RECs) and are being developed for forest carbon (VFCM Forest Carbon Credit Database), there is no centralized nature or multi-ecosystem registry. Without standardized MRV and an interoperable registry, risks of double counting and inconsistent reporting persist.

3. Market Incentives: Encouraging Signals but Not Nature-Specific

Market incentives are relatively well-developed in the broader green economy. The Renewable Energy Act (via Revenue Regulation 7-2022) and the Green Jobs Act create fiscal and employment incentives that support green investment. Sustainable finance frameworks and taxonomies also signal growing financial sector engagement. Other existing mechanisms, such as ER 1-94, which allocates a portion of energy project revenues to community development and environmental programs, and MC 2025-010, which strengthens corporate participation in community-based sustainability initiatives, further indicate available channels that could support conservation-related investments.

However, these incentives are not explicitly designed for nature credit generation. While they can lower barriers for nature-based projects indirectly, systemic demand drivers for nature credits, such as compliance obligations, procurement standards, or biodiversity offset policies, are not yet in place.

The proposed Low Carbon Economy Bill could become a transformative mechanism if it embeds incentives for nature-based solutions and market-based conservation instruments. The Environment Protection and Enhancement Program (EPEP/IEPE) required under the Philippine Mining Act establishes baseline environmental safeguards and rehabilitation actions before and during mining operations. While these activities are primarily designed for regulatory compliance, they may also be structured strategically to align with offsetting for nature-credit frameworks, *provided that they are not labeled or claimed as conservation or ecological restoration work mandated by law to establish the principle of regulatory surplus*. Instead, these can serve as foundational actions that support, or later enable, the development of additional, above-compliance interventions that meet the criteria for generating credible nature credits.

4. Governance and Institutions: Multi-actor but Fragmented

Institutional mandates are distributed across DENR, CCC, DoF, BSP, and DEPDev. Within DENR, the DENR DAO 2026-02 Voluntary Forest Carbon Market Roadmap designates the Forest Management Bureau (FMB) for terrestrial forest carbon and the Biodiversity Management Bureau (BMB) for marine and blue carbon⁵ ecosystems, which is an important step toward sectoral clarity.

Nevertheless, there is no single designated authority overseeing nature credits across ecosystems. Coordination platforms exist but these remain issue-based rather than market-oriented. Fragmentation across terrestrial, marine, and wetland mandates may complicate the development of cross-ecosystem crediting frameworks.

5. Social Equity and Safeguards: Legal Safeguards Exist but Practice Lags

The Philippines has robust social safeguard legislation, particularly through the Indigenous Peoples' Rights Act (IPRA) and its Free, Prior, and Informed Consent (FPIC) requirements. These frameworks provide a strong legal basis for equitable participation and benefit-sharing in potential credit markets. Environmental safeguards are also well established through the Environmental Impact System, DENR guidelines, and alignment with international standards

⁵ Manila Standard Business (2026). Philippines Adopts Strategic Roadmap for Voluntary Forest Carbon Market. Retrieved on: February 16, 2026. https://manilastandard.net/business/314701029/philippines-adopts-strategic-roadmap-for-voluntary-forest-carbon-market.html#google_vignette

(e.g., ADB and IFC). These systems can underpin integrity and risk management in nature credit projects.

However, implementation challenges, including uneven enforcement, capacity constraints, and lengthy processes, may slow project development and create uncertainty for investors. Operationalizing clear benefit-sharing mechanisms specific to credit markets remains a key next step.

Breakout Box 1. Reflections from Key Informant Interviews and Bilateral Meetings: National Enabling Environment

Reflections from Key Informant Interviews and Bilateral Meetings

- **CSO stakeholders have cited that the nascent state of the country's nature-oriented enabling conditions inhibits organized project development and the support of both private and public actors.** However, notable advancements have been made pertaining to carbon markets in the 1st quarter of 2026. These include DENR DAO 2026-05 (providing guidelines for establishing, registering, and monitoring voluntary forest carbon credit projects in forest lands, NIPAS protected areas, and ancestral domains), and the Department's Roadmap to Readiness in the Voluntary Forest Carbon Market (2026-2030), which aims to build and deploy capacity in key areas like carbon rights governance, MRV, end-to-end institutional capabilities, and market financing. Additionally, the National Blue Carbon Action Partnership (NBCAP), instated in 2025 and serving as a roadmap, enhances policy foundations and builds the case for financing ecosystems like mangroves, seagrass beds, and tidal marshes. As of this writing, broader government carbon regulations are still in the legislative pipeline.
- **Interviews with NGOs/CSOs indicate that limited access to publicly available government data may impede the development of nature credit markets, as reliable baseline information on land use, biodiversity, carbon stock, and ecological health are necessary to validate interventions and demonstrate additionality.** Data availability therefore remains a major constraint impacting project development and credibility with potential offtakers. Unlike the carbon markets, which have externally generated and validated baselines (e.g., Verra Jurisdictional and Nested REDD+), RFI sites in the Philippines largely do not benefit from consistent and comprehensive data monitoring. For instance, in Tubbataha, data monitoring efforts for key species (such as whale sharks, manta rays, and IUCN red list species) are irregular, further complicating reliable data collection. As a result, establishing reliable baselines is challenging, which in turn impacts the ability of project developers to demonstrate additionality and determine changes in ecosystem health. Moreover, data governance and management within government offices are often fragmented and opaque to the public; offices have overlapping directives and there is uncertainty regarding which Departments are collecting specific data points and how the information is being gathered, maintained, and stored. For instance, fisheries and aquatic resources data are not housed within the DENR but within the DA-BFAR, making it difficult for project developers to establish comprehensive baselines and align datasets in a consistent manner. Key informants recommended that data on these sites be made publicly available and verifiable. Another complementary suggestion was for data collection to be performed primarily by members of the scientific and academe communities, as well as by site stewards and community members.

B. Existing Initiatives or Pilot Programs Related to Nature Finance

A number of public-private partnerships (PPPs) between agencies of the Philippine government and private corporations, both those headquartered in the Philippines and internationally, have been established to support objectives relating to nature conservation and restoration. PPPs are a cornerstone strategy deployed by the Philippine government to restore forest cover and enhance the health of key ecosystems. The DENR is typically at the helm of such agreements and actively manages a number of concurrent ecological conservation and restoration efforts with the support of large corporate partners, which provide access to capital to ensure project viability.

Beyond formal government partnerships, many corporations in the Philippines are independently pursuing nature-based initiatives as well. Such programs and initiatives are often driven by a recognition of their dependencies and impacts on ecosystem services, such as stable water supplies and resilient agricultural lands, for long-term business continuity. Through investments in the resilience of their supply chains and the conservation of natural resources vital to their operations and stakeholders, companies are increasingly embedding environmental considerations into strategy for both risk mitigation purposes and to promote sustainable future growth.

Table 2. Examples of PPPs, Philanthropic Contributions, and Corporate-Led Nature Conservation and Restoration Initiatives in the Philippines.

Entities Involved	Objectives	Actions Undertaken
Ayala Group, DENR⁶	Ecological objective to increase the national forest cover, restore biodiversity, improve water resources, sequester and reduce atmospheric carbon emissions, and enhance resilience against the impacts of climate change.	[Starting 2025] The Ayala Group will revitalize forests by propagating 5 million trees by the year 2028, committing support to the “Forests for Life” program of the DENR through land allocation, tree planting, and maintenance activities.
Marubeni Corp., DENR, University of the Philippines Los Baños^{7,8}	Economic and ecological objectives to develop a large-scale native trees reforestation project that generates high-quality carbon credits, restoring ecosystem health and biodiversity while generating economic value.	[Starting 2023] Established a partnership to reforest a 10,000-hectare site in Negros Occidental. The project focuses on planting native tree species to sequester carbon, with the explicit goal of generating carbon credits for offsetting use in the carbon markets.
San Miguel Corporation (SMC), DENR^{9,10}	Ecological objective of the PPP is to restore vital urban river systems to improve water quality and access, mitigate flooding, and reduce pollution into coastal ecosystems. The projects are executed in close coordination with DENR and relevant LGUs.	[Starting 2020] As of June 2025, SMC had removed approximately 8.5 million metric tons of silt and solid waste from over 160 kilometers of river channels across 10 vital waterways in and around Metro Manila. The result is decreased risk of severe flooding in the adjacent communities.
Energy Development Corporation (EDC), DENR¹¹	Dependence on healthy watersheds and ecosystems that regulate the health and function of the underground geothermal reservoirs critical to its energy generation operation. The objective is to ensure the long-term sustainability of its business via ecosystem restoration activities.	[Starting 2008] Manages the “BINHI” program within government-owned geothermal reservations. The nationwide forest restoration initiative focuses on rescuing and propagating over 140 of the Philippines’ most threatened native tree species. As of Q3 2025, over 6.8 million seedlings have been planted over more than 10,000 hectares, positively impacting over 80 forest communities and increasing the number of documented animal species.
Aboitiz Power Corporation, DENR, LGUs^{12,13}	Ecological objective to restore and protect vital mangrove ecosystems that serve as natural coastal defenses against storm surges and erosion, critical marine habitats, regulators of water quality, and carbon sinks,	[Starting 2025] The DENR, provincial government of Bataan, and Orani LGU entered into a MoA with AboitizPower to establish the Tubo-Tubo Island Mangrove Conservation Project. The mangrove area has decreased to 1.56km ² in 2016 from 3.95km ²

⁶ Ayala Group. (2025). *Ayala Group partners with DENR for national greening project*. <https://ayala.com/ayala-group-partners-with-denr-for-national-greening-project/>

⁷ Philippine Inquirer. (2023). Marubeni to help develop PH reforestation carbon credit program.

<https://business.inquirer.net/385981/marubeni-to-help-develop-ph-reforestation-carbon-credit-program>

⁸ Marubeni. (n.d.). *Forest Resource Business*. <https://www.marubeni.com/en/ad-videos/scope/growing-forests/>

⁹ Business Mirror. (2025). *5 years of River Cleanup: SMC removes 8.5-M tons of waste*.

<https://businessmirror.com.ph/2025/07/04/5-years-of-river-cleanup-smc-removes-8-5-m-tons-of-waste/>

¹⁰ San Miguel Corporation. (n.d.). *Reviving Our Ailing Rivers*.

<https://www.sanmiguel.com.ph/sustainability/kalikasan/resource-management/reviving-our-ailing-rivers/>

¹¹ Energy Development Corporation. (n.d.). *BINHI Overview*. <https://www.energy.com.ph/binhi/>

¹² Provincial Government of Bataan. (2025). *AboitizPower leads expansion of mangrove conservation in Orani*.

<https://bataan.gov.ph/news/abotizpower-leads-expansion-of-mangrove-conservation-in-orani/>

¹³ The Manila Times. (2025). *DENR, LGUs team up with AboitizPower for mangrove conservation project in Bataan*.

<https://www.manilatimes.net/2025/08/23/tmt-newswire/denr-lgus-team-up-with-abotizpower-for-mangrove-conservation-project-in-bataan/2172240>

Entities Involved	Objectives	Actions Undertaken
	contributing to community and environmental resilience.	in 2012. The project scope has been expanded to 20 ha., from 10 ha. and a PHP14 million budget at announcement.
Jaime V. Ongpin Foundation, Inc. (JVOFI), DENR¹⁴	Ecological objective to rehabilitate mangrove forests devastated by Typhoon Odette, aiming to restore coastal protection, support local livelihoods, and enhance the ecological health of Siargao Island.	[Starting 2022] JVOFI and the DENR established an MoA for Siargao Island mangrove restoration, covering a period of 3 years and 143 hectares of mangroves. JVOFI provided initial funding of PHP10 million for the project, and for the development of solid waste management practices in Siargao. The DENR and local LGUs serve as implementation partners for the project.
Nestlé Philippines^{15,16}	Dependence on a stable and resilient coffee supply chain, which is directly impacted by climate change and unsustainable farming practices affecting both crop yield and farmer livelihoods. The program aims to reduce environmental impact, promote sustainable consumer behavior, assure the supply of green coffee for the company, and create enduring livelihood opportunities for smallholder coffee growers.	[Starting 2010] The Nescafé Plan provides coffee farmers with training in regenerative agriculture (to enhance soil fertility, restore degraded soil biodiversity, improve water systems, and reduce GHG emissions) and coffee production techniques, while focusing on transparent and fair coffee procurement practices. Sustainable farming practices include planting cover crops, composting, agroforestry, and intercropping.
San Miguel Corporation¹⁷	Direct dependence water resources for operations (e.g., agricultural input, raw material for manufacturing, steam generation, cooling, sanitation etc.), and a recognition of inefficiencies in water usage (pipe leaks, lack of wastewater reuse, high use of groundwater, lack of rainwater harvesting capabilities).	[Starting 2017] The conglomerate's "Water for All" program endeavors to cut non-product, utility water use by 50% by 2025. An internal oversight committee for this initiative, which establishes and monitors water-saving measures, is composed of technical representatives from various BUs.

The Philippine PPPs and corporate-led nature restoration and conservation efforts illustrated in Table 2 suggest a recent uptake in public sector engagement to identify ecological priorities and initiate programs to achieve related nature positive objectives. Increased private sector willingness to finance nature-positive outcomes aligned with both direct and indirect dependencies may also be observed, in addition to sustained private sector interest extending philanthropic aid for nature. The Ayala Group's collaboration with the DENR, entitled "Forests for Life," the AboitizPower-DENR Tubo-Tubo Island mangrove restoration project, and the JVOFI-DENR Memorandum of Agreement demonstrate the appetite of domestic players, both large conglomerates and non-profit entities, to enhance their contributions to the health of key Philippine biomes. The latter two examples are evidence of private sector recognition of the criticality of mangroves specifically in promoting enduring natural uplift and augmenting human settlement resilience against climate hazards. This may imply a broader openness to philanthropically finance ecosystems beyond traditional terrestrial forestry initiatives, presenting a possible inroad for nature crediting programs in RFI sites to gain traction with entities of this archetype.

Beyond goodwill projects and donations, the Philippine private sector has a clear history of planning and implementing interventions to unlock long-term value from ecosystem services. Japan's

¹⁴ Department of Environment and Natural Resources. (2022). *DENR inks partnership with JVO Foundation to rehabilitate over 100-hectare mangrove in Siargao*. <https://denr.gov.ph/news-events/denr-inks-partnership-with-jvo-foundation-to-rehabilitate-over-100-hectare-mangrove-in-siargao/>

¹⁵ Nescafé Philippines. (n.d.). Nescafé is dedicated to supporting local coffee farmers in the Philippines. <https://www.nescafe.com/ph/sustainability/my-world/nescafe-plan>

¹⁶ Nestlé Philippines. (n.d.). Regenerative Agriculture. <https://www.nestle.com.ph/csv/communities/nescafe-plan/regenerative-agriculture>

¹⁷ San Miguel Corporation. (n.d.). *Water for All*. <https://www.sanmiguel.com.ph/sustainability/kalikasan/resource-management/water-for-all/>

Marubeni Corporation established linkages with the DENR for a reforestation-afforestation project in Negros Occidental, where the projected outcomes address both ecological and economic goals. Upon announcement of the project, the developer had already disclosed its intent to generate high-quality carbon credits representing the carbon removals from its planting activities. The partnership with DENR to attain these goals is indicative of Philippine government familiarity with the principles of carbon offsetting and its readiness to work with the private sector in realizing the potential of domestic carbon market contributions. Energy Development Corporation (EDC), through its BINHI program, has planted nearly 7 million seedlings comprised of over 140 threatened endemic tree species in the vicinity of its geothermal power plants across the country. The program endeavors not only to reforest nearby ecosystems, but to also ensure the health and proper functioning of the underground water reservoirs that the company's geothermal energy generation operation depends on. Nestlé Philippines proactively adopted regenerative agriculture practices in partnership with its coffee farmers in Mindanao to hedge against the disruptions brought about by climate change and harmful legacy agricultural practices. Its programs have increased the reliability and stability of its local supply chain, while optimizing resource use and reducing adverse environmental impacts. Though diverse, the initiatives undertaken by the Philippine private sector and government to finance nature-positive results are united by a common root in understanding ecosystem dependencies and taking action to sustain those relationships with nature. RFI nature credits can present a compelling pathway for domestic companies with related nature dependencies, or international firms with operations in the Philippines, to claim scientifically-validated ecological uplift in biomes that fulfill a critical suite of ecosystem services. Offering a direct, high-integrity, high-impact route for companies to substantiate material contributions to nature in the form of RFI nature credits may be attractive to industry entities and philanthropic financiers that would otherwise be planning and executing complex conservation and restoration projects with high upfront cost, tenurial, and implementation barriers.

Additional detail on the Philippines' carbon market context, including market maturity, registry, project typologies, pricing trends, and methodological frameworks, is provided in Appendix 3.

VI. Gaps and Challenges

The Philippines hosts globally significant wetlands that sustain livelihoods, buffer coastal hazards, and form part of the EAAF. At present, the required enabling environment for high-integrity nature credits is still emerging. Addressing persistent policy fragmentation, data gaps, financing frictions, and uneven social safeguards is essential to build market credibility and channel capital to measurable outcomes for people, climate, and biodiversity. Table 3 outlines a summary of gaps, associated outcomes, and suggested actions and stakeholders to engage. Box 2 highlights several on-the-ground experiences shared by selected stakeholders during the bilateral meetings.

Table 3. Key Gap Areas and Priority Actions to Catalyze Nature Credit Markets

Gap Area	What Resolving Unlocks	Short- to Medium-Term Measures	Key Stakeholders (beyond government)
Policy & Institutional Overlapping mandates and uneven enforcement in priority wetlands; limited nature-risk integration in finance	- Coherent governance - Credible disclosures - Higher market integrity	- Inter-agency wetland task forces - Align PBSAP with GBF - Embed TNFD/SBTN guidance into reporting	BSP, PSE, banks, insurers, NGOs, academia
Technical & Data Limited publicly available data; Incomplete baselines;	- Defensible Additionality/ Permanence - Investable Projects	Standardized baselines at RFI sites	Universities, NGOs, private MRV/data providers

Gap Area	What Resolving Unlocks	Short- to Medium-Term Measures	Key Stakeholders (beyond government)
limited MRV readiness; local capacity constraints; environmental data siloed across various agencies	• Accessible complete data baselines	• Build LGU-research MRV capacity • open geospatial data	
Financial & Market Absence of regulatory clarity; Thin pipeline; high transaction costs; unclear guardrails vs. carbon co-benefits	• Investor Confidence • Scalable Supply of High-Integrity Units	• Blended finance & prep facilities • Standardized methodologies • Clarity on double counting	MDBs, Development banks, PPP center, project developers
Social & Gender Variable FPIC practice; limited gender integration and data	• Social License • Equitable Benefits • Reduced Delays	• Strengthen FPIC oversight & grievance redress • Require gender-responsive baselines	NCIP, Indigenous orgs, women's groups, co-ops
Cross-cutting Partial alignment with GBF/HIPs/TNFD across policies and markets	• Buyer Confidence • Access to International Demand	• National alignment dialogues • Adopt high-integrity principles for nature credits	DOF/SEC, MDBs, WWF/IUCN, private sector

Policy and Institutional Gaps

The policy architecture for biodiversity and climate is comparatively advanced, anchored by the Philippine Biodiversity Strategy and Action Plan (PBSAP 2024-2040). However, implementation is hampered by fragmented mandates across agencies and local governments, producing uneven enforcement in critical wetlands such as Las Piñas Parañaque Wetland Park (LPPWP), Olango Island, and the Negros Occidental Coastal Wetlands Conservation Area (NOCWCA). This fragmentation complicates site-level stewardship, deters private investment, and weakens confidence that credited outcomes can be maintained¹⁸.

In parallel, the enabling environment has privileged single-service instruments (carbon), where co-benefits are claimed via Verra's Climate, Community, and Biodiversity (CCB)¹⁹ and Sustainable Development Verified Impact Standard (SD VISTA)²⁰ programs. While valuable, these labels do not on their own provide a governance framework for nature credits, nor do they fully address risks of double counting where biodiversity outcomes might be claimed both as carbon co-benefits and as stand-alone nature credits. Clear policy guardrails, including disclosure expectations, will be needed to avoid integrity concerns as markets evolve. Financial-sector reforms as evidenced by the formation of The Sustainable Finance Roadmap²¹ and the Sustainable Finance Framework^{22,23}, for example, are important steps, yet systematic integration of nature-related risks and dependencies

¹⁸ DENR-BMB. (2015). Philippine Biodiversity Strategy and Action Plan 2015-2028. <https://www.cbd.int/doc/world/ph/ph-nbsap-v3-en.pdf>; Ramsar (2013). LPPCHEA - Ramsar Information Sheet (PH2124). <https://rsis.ramsar.org/RISapp/files/RISrep/PH2124RIS.pdf>; Ramsar (1994). Olango Island Wildlife Sanctuary - RIS (PH656). <https://rsis.ramsar.org/RISapp/files/RISrep/PH656RIS.pdf>; Ramsar (2016). Negros Occidental Coastal Wetlands - RIS (PH2271). https://rsis.ramsar.org/RISapp/files/RISrep/PH2271RIS_1610_en.pdf

¹⁹ Verra (n.d.). Climate, Community & Biodiversity (CCB) Standards. <https://verra.org/programs/ccbs/>

²⁰ Verra (n.d.). Sustainable Development Verified Impact Standard (SD VISTA). <https://verra.org/programs/sd-verified-impact-standard/>

²¹ DOF (2021). Philippine Sustainable Finance Roadmap. <https://www.dof.gov.ph/wp-content/uploads/2021/10/ALCEP-Roadmap.pdf>

²² BTr (2022). Republic of the Philippines - Sustainable Finance Framework. <https://www.treasury.gov.ph/wp-content/uploads/2022/01/Republic-of-Philippines-Sustainable-Finance-Framework-vF-with-disclaimer.pdf>

²³ BSP (n.d.). Sustainable Central Banking. <https://www.bsp.gov.ph/SitePages/StrategicPrograms/Sustainable-Central-Banking.aspx>

into financial supervision and issuer disclosures is still early stage. TNFD framework recommendations offer a path to decision-useful, location-based nature risk reporting²⁴; uptake by banks and listed companies will be critical to generate durable demand signals for high-integrity credits.

Technical and Data Capacity Gaps

High-integrity nature crediting requires standardized, long-series baselines for biodiversity, hydrology, and ecosystem services, plus protocols for additionality, permanence, and leakage. At many wetland sites, data are episodic or non-interoperable, limiting MRV readiness and the ability to withstand third-party assurance. Building sustained, interoperable monitoring, ideally open and geospatial, would reduce due-diligence friction and support stacked outcome claims where appropriate²⁵. Additionally, capacity constraints, especially within LGUs that manage land-use planning and permitting, hamper the momentum on project preparation and safeguards compliance. Structured support for ecological accounting, MRV, and safeguards (FPIC, gender, grievance) at the local level would materially improve project bankability²⁶.

At the same time, corporates and Financial Institutions (Fis) are still at an early stage of adopting Science-Based Targets for Nature (SBTN), which provide methods to assess dependencies/impacts and set location-based targets. Mainstreaming SBTN (alongside TNFD) can convert policy ambition into measurable corporate demand for nature outcomes in priority basins²⁷.

Interviews with NGOs implementing nature projects highlight that limited access to publicly available government data remains a major barrier to developing nature credits. Reliable baseline information on land use, biodiversity, carbon stock and even ecological health is essential for validating interventions and demonstrating additionality. Without it, project development slows, and ecological outcomes are harder to measure.

NGO representatives also noted that environmental data is often siloed across different government departments, which complicates data gathering. For example, fisheries and aquatic resources data is not housed within the DENR but within a separate agency, the DA-BFAR. This fragmentation makes it difficult for project developers to establish comprehensive baselines and align datasets. Transparent and accessible government data reduces costs, supports consistent reporting, and strengthens the credibility of nature credit projects.

Financial and Market Challenges

A thin pipeline of investable wetland projects, partly reflecting how baseline data and basic familiarity with wetlands remain limited²⁸, combined with high transaction costs for baselining, verification, tenure clarification, and community engagement, constrains deal flow. Near-term, blended finance

²⁴ TNFD (2023). Recommendations (v1.0). <https://tnfd.global/publication/recommendations-of-the-taskforce-on-nature-related-financial-disclosures/>

²⁵ World Bank (2022). Philippines Country Climate and Development Report. <https://thedocs.worldbank.org/en/doc/4ec3282919652f7545bc25c49c1811e4-0070012022/original/PHCCDR-FINAL-formatted.pdf>

²⁶ ADB (2023). Philippines: Local Governance Reform Program. <https://www.adb.org/sites/default/files/project-documents/52173/52173-001-52173-003-pcr-en.pdf>

²⁷ SBTN (2024). Corporate Manual for Setting Science-Based Targets for Nature. <https://sciencebasedtargetsnetwork.org/wp-content/uploads/2024/07/Corporate-manual-for-setting-SBT-for-Nature.pdf>

²⁸ Wetlands International. (2024, November 11). Bridging the Information Gap between Wetlands and Investments. Accessed on 5 March 2026. <https://www.wetlands.org/blog/bridging-the-information-gap-between-wetlands-and-investments/>

and standardized methodologies may lower entry costs and help scale a pipeline that meets buyer expectations on additionality and durability.

Market integrity uncertainty is another constraint: buyers avoid credits if governance is unclear or if co-benefits risk being counted twice. Convergence around recognized high-integrity principles for nature credits (e.g., WEF/BCA/IAPB) can reduce perceived risk and improve price discovery, especially where claims are nested within national policies and flyway-level strategies²⁹.

Conversations with representatives from a Philippine public-listed conglomerate revealed that, despite their nature-positive commitments and voluntary engagement in nature-based projects, they are seeking long-term revenue streams to sustain these initiatives. However, the absence of clear government regulation makes participation difficult. The lack of derisking mechanisms and limited offtaker interest dampen their willingness to invest. High upfront costs for pre-feasibility studies, full feasibility assessments, Project Design Document (PDD) development, and insurance requirements for risk mitigation, further add to the challenge.

It was also highlighted that carbon markets in the Philippines remain uncertain, as policy frameworks and supporting processes are still evolving. While enabling mechanisms and interested buyers are emerging, the landscape is still taking shape, which makes timelines harder to anticipate. As a result, nature credits, being even newer, may take time to mature and attract early movers. This chicken-and-egg problem has a compounding effect: project developers need committed offtakers to secure financing, while offtakers prefer to come in only once certified projects already exist. This misalignment slows early project development and constrains market growth.

Social and Gender Considerations

The Philippines has a strong legal foundation for Indigenous Peoples' rights (IPRA³⁰) and FPIC, yet practical implementation remains uneven, particularly around inclusive participation, transparent benefit sharing, and grievance mechanisms, thereby creating social-license risks and potential delays. Formalizing consistent FPIC practice and transparent benefit-sharing at project and portfolio levels is a precondition for scale.

Wetland restoration and near-shore livelihoods often rely heavily on women's labor, but gender-disaggregated baselines, gender-based violence (GBV), sexual exploitation and abuse (SEA) risk mitigation, and targeted economic participation measures are not consistently embedded. Strengthening these elements improves equity, retention, and stewardship and, by extension, credit quality³¹.

Cross-cutting Issues

The EAAF context means individual projects must contribute to network-scale outcomes; habitat loss or leakage in one node can undermine migratory species along the flyway. Coordinating site portfolios against EAAFP strategic objectives can enhance permanence and additionality while lowering systemic risk.

²⁹ WEF/BCA/IAPB (2025). High-Level Principles to Guide the Biodiversity Credit Market.

https://www3.weforum.org/docs/WEF_High_Level_Principles_to_Guide_the_Biodiversity_Credit_Market_2025.pdf

³⁰ Republic Act 8371 (1997). Indigenous Peoples' Rights Act (IPRA).

https://lawphil.net/statutes/repacts/ra1997/ra_8371_1997.html

³¹ ADB (2024). Gender Equality and Climate Change Sectors Guide. <https://www.adb.org/sites/default/files/institutional-document/1009446/gender-equality-climate-change-sectors-guide.pdf>

Finally, there are opportunities to further align the Philippine national policy and program, and operationalizing the Kunming-Montreal Global Biodiversity Framework (KMGBF³²) domestically through targets, taxonomies, disclosures, and safeguards. This will anchor credibility and connect Philippine credits to international demand.

Delivering a credible nature-credit proposition will depend on tightening governance across agencies, building MRV-ready baselines, seeding investable pipelines with blended finance, and embedding social/gender safeguards and flyway-scale coordination. Doing so would protect critical wetlands, strengthen climate resilience, and position the Philippines as a trusted supplier of high-integrity nature outcomes in regional and global markets.

Breakout Box 2. Reflections from Key Informant Interviews and Bilateral Meetings: Gaps and Challenges in Nature Financing

Reflections from Key Informant Interviews and Bilateral Meetings

- **CSOs and NGOs aiming to conserve Philippine RFI sites are constrained by limited access to financing, primarily rely on infrequent and insufficient grants, subsidies, and donations.** In key informant interviews, participants cited that funding was more accessible in the past, from sources including multilateral funds and development institutions, conglomerates, and international programs. These grants typically involved some oversight from the originating entity, ensuring key objectives were met. However, the sum of available resources at a given time usually remains inadequate. This has led site management and protection stakeholders to explore novel methods of securing financing, such as developing a payment-for-ecosystem-services (PES) scheme and pursuing a pilot run in collaboration with the local government. Restoration-linked insurance is another novel example of innovative financing mechanisms being proposed. Such a scheme is anchored on the logic of mangroves protecting coastline assets, which are insurable. The scale and economic value of that ecosystem service are then accurately quantified and integrated into insurance premiums. Consequently, damage sustained by the insured assets is reduced, thereby lowering payouts to clients and enabling a proportion of the profits to be funneled towards mangrove restoration activities.
- **In the Philippine corporate landscape, there are known instances of Tier 0 (residual impact) actors adhering to the minimum standard of environmental safeguards and their established offsetting obligations.** This suggests that a compliance-oriented program, where participation is mandatory, may be more effective for channeling financing to RFI sites that are exposed to (or already suffer from) industrial-driven decline, at least in the case of short-to-medium-term pilots. Notwithstanding this reality, CSOs are actively exploring the possibility of creating a private marketplace, where trust between buyers and sellers can exist without government intervention, provided the necessary safeguards are implemented and transparently demonstrated.
- **In the Philippine corporate landscape, insights from a publicly listed conglomerate indicate that although they maintain nature positive commitments and voluntarily engage in nature-based initiatives, several barriers constrain their participation.** These include the absence of clear government regulation, limited derisking mechanisms, low offtaker interest, and high upfront costs associated with prefeasibility and feasibility assessments, Project Design Document development, and risk mitigation requirements. Market uncertainty also persists, as carbon policies and supporting processes continue to evolve, which in turn affects the pace at which nature credits may mature.
- **This is further compounded by a chicken and egg dynamic,** where project developers require committed offtakers to secure financing while offtakers prefer to engage only once certified projects are available, creating misalignment that slows early project development and limits the growth of an emerging market.

³² CBD (2024). Kunming-Montreal Global Biodiversity Framework (portal). <https://www.cbd.int/gbf>

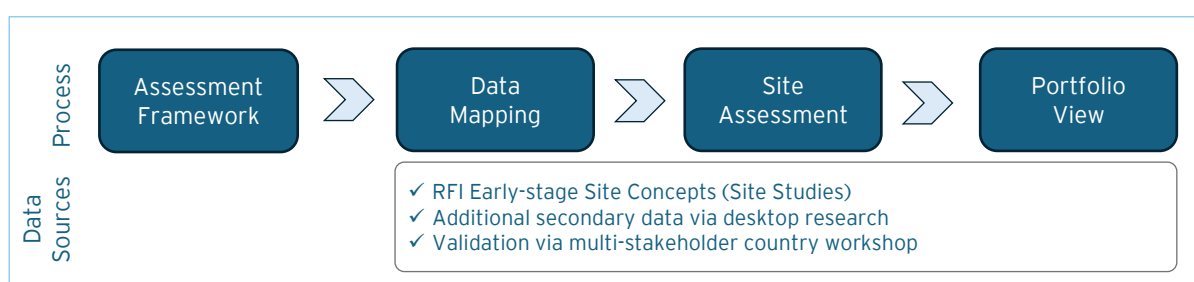
VII. Site-Specific Assessment: The Philippine Regional Flyway Initiative Sites

A. Approach and Framework

The preceding section examined the Philippines' enabling environment for nature finance with emphasis on nature credits at the national level, where the discussion covered legal foundations, institutional mandates, emerging standards, and market incentives. While this provides the necessary context for system-wide readiness, translating these factors into site-level viability requires a more granular diagnostic. The following *assessment* of the Philippines' twelve RFI sites applies national conditions to the ecological and socio-economic realities of each site, evaluating how legal status, governance arrangements, community dependencies, and financing opportunities interact with local threats and opportunities.

1. Units and Level of Analysis

The diagnostic follows a stepwise approach. First, a set of five viability pillars were mapped per Phase 1 nature credit principles ('guardrails' and 'enablers'): (i) Legal Policy and Foundation, (ii) Standards, Metrics, and Market Infrastructure, (iii) Market Incentives, (iv) Governance and Institutions, and (v) Social Equity and Environmental Safeguards. Second, these enabling pillars were mapped against site-contextual parameters, leveraging availability datasets from prior RFI studies (e.g., conservation status, management stakeholders, economic dependencies, and costed interventions). Third, each site was assessed relative to these pillars to identify comparative strengths and weaknesses, with results aggregated into a portfolio-level view that highlights priority areas, common bottlenecks, and sites requiring institutional lift.



It is important to note the following considerations and potential limitations of this site diagnostic exercise. Direct field sampling or ground-based ecological or socio-economic surveys was not undertaken in this assessment. Instead, the diagnostic relies on secondary data and early-stage site concepts (site studies) commissioned by the ADB, which provided costed intervention concepts and indicative assessment of ecosystem services. While this allows for a structured, high-level comparison across sites, it also means that conclusions should be seen as directional rather than definitive. Detailed feasibility assessments, including site visits, more targeted stakeholder consultations will be required to validate and refine these findings.

2. Application of Tiered Nature Dependency Framework to Examine Dependencies and Potential Supply-Side Activities in Philippine RFI Sites

a) Tiered Dependency Mapping of Economic Actors and Activities in RFI Sites

Building on the above approach, this section examines the demand- and supply-side dynamics of The Philippines' nature credit potential through the lens of the tiered dependency framework (illustrated in Figure 3). This analysis identifies and categorizes actors and entities according to the degree and

nature of their economic and ecological reliance on the RFI sites. While distinct from the earlier assessment of policy and institutional readiness, it remains grounded in the five viability pillars by translating these dependencies into actionable insights on market incentives, governance linkages, and social-environmental safeguards. In doing so, it highlights how the distribution and intensity of dependencies across tiers shape both the potential supply of nature credits and the structure of emerging demand within The Philippines' evolving nature finance landscape. This analysis will also feed into Section VIII wherein we finally apply a viability assessment to the RFI sites.

Table 4 below shows the application of this framework through a high-level mapping economic actors located within, near, or at a certain distance from an RFI site (depending on the value chain linkage). Early-stage site concepts (site studies) were used as first basis for understanding stakeholder linkages; the initial mapping was then expanded to fully incorporate the dependency lens (instead of merely impact-related) through additional desktop research. This tiered dependency mapping highlights the following key points:

- **Tier 0 actors**, such as infrastructure developers, industrial operators, and other extractive activities near the RFI sites, are **unlikely to purchase nature credits voluntarily** without regulatory obligations or fiscal incentives. Philippine legislation contains guardrails to ensure companies mitigate or offset negative environmental impacts. This happens through a combination of environmental impact assessments, pollution control standards, waste management requirements, and specific producer responsibility provisions under laws such as RA 11898 (EPR Act), PD 1586 (EIS System), and other environmental statutes. However, these requirements do **not** extend to purchasing biodiversity offsets or nature credit instruments. Their potential participation in nature credits would therefore be limited to **voluntary, above-and-beyond contributions**, and is more likely to materialize only when future policy frameworks formally recognize nature credits or related compliance mechanisms.
- **Tier 1-2 actors**, including aquaculture, small-scale fisheries, salt production, and local ecotourism operators, demonstrate strong ecological dependencies but are unlikely to serve as nature-credit buyers due to their limited financial capacity, small scale of operations, and localized market footprint. Stakeholder consultations indicate that these actors are more appropriately positioned on the supply side, as implementers or co-beneficiaries of restoration activities that underpin credit generation, rather than as purchasers.
- **Tier 3-4 (including 3.5 speculative buyers) actors**, particularly large Philippine conglomerates, international firms, commercial banks, and companies already advancing TNFD-aligned assessments or nature-based carbon procurement, represent the **strongest emerging demand segment for nature credits**. These entities are increasingly motivated by net-zero commitments, nature-positive targets, ESG obligations, and portfolio diversification into high-integrity nature-based assets. Research and initial consultations with key stakeholders underscore that these actors, despite their relative distance from the RFI sites, possess both the scale and institutional readiness to participate in voluntary nature credit markets and are therefore the most credible near-term buyers in the Philippines.

Table 4. High-level Mapping of Economic Activities and Actors with Dependencies on Sectors in Philippine RFI Sites

Tier 4 Pure Philanthropic	Tier 3 Nature-dependent Business Models	Tier 2 Supply Chain Dependency	Tier 1 Direct Dependency	Tier 0 Residual Impacts / Offsetting	RFI Site
Small-to-large domestic corporates with CSR programs or	Green Finance. Agricultural loans and insurance products for	Agri-Logistics & Milling. Rice mills and traders in Agusan del	Small-scale Agriculture & Fishing. Farmers (rice, corn) and fisherfolk	Mining & Logging Operations. Upstream small-scale gold/nickel	Agusan Marsh Wildlife Sanctuary

Tier 4 Pure Philanthropic	Tier 3 Nature-dependent Business Models	Tier 2 Supply Chain Dependency	Tier 1 Direct Dependency	Tier 0 Residual Impacts / Offsetting	RFI Site
offering philanthropic support: • Conglomerates • Telecoms • Banks • Tourism • Real Estate • Industries Drivers for these actors to provide financial support include: • CSR programs • Marine conservation support programs • Mangrove and ecosystem rehabilitation • Ecotourism promotion • Community livelihood support • Disaster relief • Research grant	farmers in flood-prone marshlands	Sur relying on crop yields dependent on marsh water regulation	directly relying on seasonal flooding cycles and fish stocks	mining causing siltation/mercury pollution; illegal logging degrading swamp forests	
	Climate-Resilient Agriculture. Financing for farmers adopting flood-tolerant rice varieties	Real Estate Supply Chain. Construction firms sourcing sand/gravel; insurers assessing flood risks for nearby properties	Rice & Melon Farming. Farmers using the wetland's seasonal drawdown areas for planting; duck raisers utilizing marsh resources Aquaculture: During the wet season, portions of the wetland are converted into aquaculture ponds used for rearing <i>bulig</i> (catfish), <i>tilapia</i> , <i>plapla</i> , and shrimp.	Urban/Industrial Encroachment. Land conversion for housing/industry reducing wetland area; agricultural runoff	Candaba Wetlands
	Hydro-Energy Finance. Investment in renewable energy infrastructure (e.g., J-POWER/Markham Resources) reliant on stable lake water levels	Hydropower Grid. Agusan del Norte Electric Cooperative (ANECO) relying on consistent water flow for power generation	Hydropower & Fisheries. Hydroelectric plant (25MW run-of-river) operations; fisherfolk targeting endemic species (e.g., Pijanga)	Unsustainable Fishing & Mining. Overfishing (fine mesh nets); upstream mining causing sedimentation and water turbidity	Lake Mainit
	Resilient Infrastructure. Investments in flood-defense infrastructure protecting industrial zones	Industrial Operations. Manufacturing/Industrial plants (e.g., oil refining, petrochemicals) relying on coastal water for cooling/various processes)	Aquaculture & Fishing. Fishpond operators and mussel farmers dependent on water quality in the bay	Industrial Pollution & Reclamation. Effluent discharge from factories; land reclamation for port/industrial expansion	North Manila Bay Bataan (Balanga Wetlands)
	Sustainable Seafood Certifiers. Processors/exporters seeking certification for responsibly sourced milkfish/crabs (e.g., MSC pre-assessments)	Fish Processing & Feed Mills. Processors of milkfish and producers of aquaculture feed relying on raw material stability	Aquaculture Operators. Fishpond owners (milkfish/tilapia) directly dependent on brackish water quality and fry availability	Aquaculture Expansion. Conversion of mangroves to fishponds; discharge of nutrient-rich effluents affecting water quality	Bangrin Marine Protected Area
	Blue Carbon Credits. Potential for carbon trading projects based on mangrove sequestration	Seafood Supply Chain. Local markets and regional traders dependent on the steady	Fisheries & Shellfish Gathering. Coastal communities harvesting mud crabs, shellfish, and fish from mangrove areas	Coastal Development. Reclamation for settlements; unmanaged aquaculture	Zamboanga Sibugay Wetlands (Kabasalan Siay Wetland Area)

Tier 4 Pure Philanthropic	Tier 3 Nature-dependent Business Models	Tier 2 Supply Chain Dependency	Tier 1 Direct Dependency	Tier 0 Residual Impacts / Offsetting	RFI Site
		supply of crabs and shellfish		expansion impacting mangrove health	
	Blue Finance. Investments in sustainable blue crab fisheries and mangrove conservation projects (e.g., Blue Swimming Crab FIP)	Blue Swimming Crab Industry. Picking stations, canning factories, and exporters relying entirely on the wild catch from the wetland	Commercial & Municipal Fishing. Fisherfolk and crabbers directly dependent on healthy mangrove nurseries for stock replenishment	Pollution & Over-extraction. Agricultural runoff (sugarcane); overfishing of juvenile crabs; conversion of mangroves	Negros Occidental Coastal Wetlands Conservation Area
	Climate Adaptation Funds. Financing for LGU projects on flood control and mangrove restoration	Urban Development. Real estate developers relying on flood control services provided by the wetland/river system	Aquaculture & Seafood Production (e.g., fishponds). Extensive fishpond operations (milkfish/shrimp) dependent on river water quality and tidal flow	Urban Expansion & Pollution. Encroachment of settlements into waterways; solid waste and sewage pollution from upstream	North Manila Bay Pampanga (including Sasmuan Pampanga Coastal Wetlands)
	Airport Development Risk. Insurance and financing for major infrastructure projects (New Manila Int'l Airport) mitigating flood risks	Construction & Logistics. Massive demand for fill materials; transport sector relying on flood-free access roads	Fisheries & Aquaculture. Fishpond operators and coastal fisherfolk relying on remaining mangrove buffers	Mega-Infrastructure Development. Large-scale land reclamation (e.g., airport construction) degrading wetland habitats; sedimentation	North Manila Bay (Bulacan)
	Sustainable Tourism Niche. Hotels/ Resorts marketing "eco-friendly" stays; dive operators investing in reef protection	Hospitality Sector. Hotels, restaurants, and souvenir shops relying on tourist influx driven by the sanctuary	Ecotourism Operators. Birdwatching guides and boat operators whose income depends solely on the site biodiversity/aesthetics	Unregulated Tourism & Urbanization. Disturbance to migratory birds; pollution from nearby settlements/resorts affecting water quality	Olango Island Wildlife Sanctuary
	Mariculture Investment. Financing for mariculture park cages and sustainable aquaculture technologies	Mariculture Supply Chain. Feed suppliers, cage producers, and processors supporting the Panabo City Mariculture Park	Mariculture Park Operators. Cage operators (bangus /milkfish) directly using the coastal water column for production	Industrial/Port Development. Expansion of port facilities (e.g., Anflo Industrial Estate); pollution from industrial zones and intensive mariculture	Panabo Coast
	Dive Tourism Economic Structure. Premium pricing for liveaboard trips; conservation fees funding park management	Liveaboard Industry. High-end dive tour operators and travel agencies marketing the site's pristine status	Dive Tourism. Liveaboard operators and certified Dive Masters whose business model is selling access to the park's biodiversity	Climate Change & Illegal Entry. Coral bleaching (climate); risk of illegal fishing or grounding from vessels; excess tourism pressures	Tubbataha Reef Natural Park

b) Zooming In: Key Economic Sectors (Demand-Side Stakeholders) in Philippine RFI Sites

In this section, we focus on the sectoral nature of economic activities and actors identified in Table 4, where we sorted the twelve sites into two geographical clusters (See Figure 8):

- **Cluster A which comprises the coastal sites:**
 1. Bangrin Marine Protected Area,
 2. North Manila Bay Bataan (Balanga Wetlands),
 3. North Manila Bay Bulacan,
 4. North Manila Bay Pampanga (incl. Sasmuan Coastal Wetlands)
 5. Negros Occidental Coastal Wetlands Conservation Area,
 6. Olango Island Wildlife Sanctuary,
 7. Tubbataha Reef National Marine Park,
 8. Zamboanga Sibugay Wetlands (Kabasalan Siay Wetland Area)
 9. Panabo Coast
- **Cluster B which comprises the inland wetlands:**
 10. Candaba Wetlands,
 11. Lake Mainit,
 12. Agusan Marsh Wildlife Sanctuary

The sites were grouped based on geographic proximity, allowing for a more practical identification of entities and activities with shared dependencies on nearby ecosystems. Clustering the coastal sites (Cluster A) and inland wetlands (Cluster B) facilitates a clearer mapping of economic linkages, stakeholder relationships, and overlapping areas of influence within each landscape. From the key actors identified and their associated dependency within the tiered framework, we frame the discussion on dependencies in terms of sectoral groups and their likely economic contributions and impacts. This enables an illustration of the magnitude of the ecosystem services provided by the RFI sites (see Tables 5 and 6). This will feed later into our viability assessment as well as provide an initial mapping of actor-groups that may be prioritized for engagement in pilot offtake arrangements.

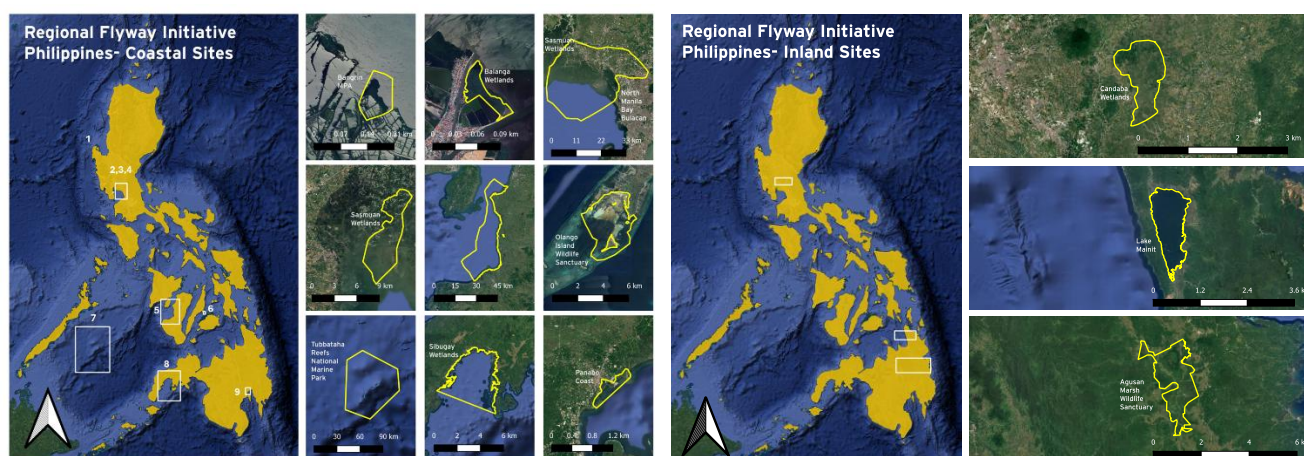


Figure 8. Maps of Philippine RFI Sites in Clustered Groups (Left: Coastal Wetlands, Right: Inland Wetlands)

Cluster A - Philippines' Coastal Wetlands

The Philippines' coastal RFI sites support an array of economic activities that include both traditional livelihoods and evolving market-driven sectors. Table 4 outlines how sectors such as ecotourism, fisheries, and aquaculture directly depend on the sustained productivity and resilience of the coastal wetlands, while other activities such as shipping, logistics, and industrial operations leverage their proximity to these strategic coastal environments but may have unintended ecological

consequences. While small-scale fishing and gleaning remain core to the cultural and socioeconomic identities of local communities, the expansion of industrial zones and commercial aquaculture has introduced new dynamics of dependencies and impacts. These operations benefit from the ecosystem services provided by the wetlands, such as storm protection and water quality regulation, yet simultaneously place significant pressure on them through habitat conversion, encroachment, and pollution. Assessing the interplay of these economic and ecological variables is essential for designing conservation and financing measures, like nature credit mechanisms, that safeguard local livelihoods while ensuring the long-term health of these vital coastal ecosystems.

Table 4. Key Economic Dependencies in the Coastal RFI Sites

Dependency	Description	Example of Companies/Organizations	Economic Contribution
Ecotourism	High-value dive tourism (Tubbataha Reefs) and niche birdwatching (Olango Island; Balanga Bataan) attract domestic and international visitors, generating revenue that directly funds park management. ³³ Community-based initiatives in mangrove areas (Negros Occidental, Kabasalan-Siay/ Zamboanga Sibugay) provide alternative livelihoods, incentivizing local stewardship over extraction. ^{34,35}	Atlantis Dive Resorts & Liveaboards (Tubbataha), Discovery Fleet (Tubbataha liveaboards), Olango Birds and Seascape Tour (<i>community-based</i>), Suba Olango Ecotourism Cooperative	Coastal and marine tourism is a material contributor to the Philippine economy, with the "Blue Economy" contributing over PHP 90 billion annually in Gross Value Added (GVA) from coastal accommodation and recreation alone. ³⁶ Tubbataha Reefs generates millions (PHP) annually in conservation fees, directly funding its own management and contributing to the local economy of Cagayancillo. ³⁷
Fisheries and Aquaculture	The Philippines is a top global producer of milkfish (bangus) and seaweeds, with major production hubs in the coastal wetlands of Manila Bay (Bataan, Bulacan, Pampanga) and Panabo Coast. ³⁸ The Blue Swimming Crab industry in the Visayas (Negros Occidental, Zamboanga Sibugay) relies heavily on healthy mangrove nurseries to sustain wild catch for export.	Alsons Aquaculture Corporation (Sarangani/Panabo area), Fisher Farms Inc. (Bulacan), PACPI: Philippine Association of Crab Processors, Inc. (Negros/Visayas), Hijo Resources Corp.(Davao/Panabo), Kagmefico: Kapunungan sa mga Gagmay ng Mangingisda Fishermen Cooperative (Zamboanga Sibugay)	The fisheries sector contributed PHP 328 billion to the GDP in 2023 (approx. 1.4%), employing over 1 million people. ³⁹ The Blue Swimming Crab industry alone is a multi-billion peso export earner, supporting the livelihoods of thousands of pickers, processors, and municipal fisherfolk across the Visayas and Mindanao regions. ^{40,41}
Shipping and Logistics (Industrial)	Strategic coastal access in Manila Bay (Bataan, Bulacan) and Panabo Coast drives the location of major ports and industrial zones. These hubs facilitate the movement of agricultural and industrial goods but	San Miguel Aerocity Inc. (New Manila Int'l Airport in Bulacan), Petron Bataan Refinery (Limay, Bataan), Anflo Industrial Estate (Panabo City), DICT: Davao International Container Terminal (Panabo City), Asian	The ocean economy, including transport and logistics, employed over 2.2 million people, on average,

³³ Convention on Wetlands (Ramsar). (N.D.). *Wetland Tourism: Philippines - Tubbataha Reefs*. https://www.ramsar.org/sites/default/files/documents/pdf/case_studies_tourism/Philippines/Philippines_Tubbataha_EN-.pdf

³⁴ Oceanus Conservation. (2024). *Mangrove Restoration: A Community Effort in Kabasalan*. <https://www.oceanusconservation.org/mangrove-restoration-a-community-effort-in-kabasalan/>

³⁵ Rappler. (2025). *Mangrove maze: Eco-tourism, conservation take root in Negros Occidental*. <https://www.rappler.com/life-and-style/travel/mangrove-maze-lapus-lapus-macapagao-negros-occidental-eco-tourism-conservation/>

³⁶ Senate Economic Planning Office (SEPO), Senate of the Philippines. (2024). *Blue Economy Policy: Harnessing Ocean Wealth for Sustainable Growth* (PB-24-05).

https://legacy.senate.gov.ph/publications/SEPO/SEPO_Policy%20Brief_Blue%20Economy_final.pdf

³⁷ WWF-Philippines. (2016). *Cagayancillo: Reaping the Benefits of Protecting Tubbataha (Case Study)*. https://wwfint.awsassets.panda.org/downloads/cagayancillo_case_study.pdf

³⁸ Bureau of Fisheries and Aquatic Resources, Department of Agriculture. (2022). *Philippine Milkfish Industry Roadmap 2021-2040*. <https://www.da.gov.ph/wp-content/uploads/2023/05/Philippine-Milkfish-Industry-Roadmap.pdf>

³⁹ Congressional Policy and Budget Research Department (CPBRD), House of Representatives. (2024). *Facts & Figures: Fisheries Sector Situationer* (No. 55). <https://cpbrd.congress.gov.ph/wp-content/uploads/2024/10/FF2024-55-Fisheries-Sector-Situationer.pdf>

⁴⁰ Seafood Watch (Monterey Bay Aquarium). (2025). *Domestic markets and value chain assessment: Blue swimming crab in the Visayan Sea, Philippines* (Seafood Sustainability Series, Vol. 5). <https://www.seafoodwatch.org/globalassets/sfw/pdf/wp-v05-bsc-phl-2025.pdf>

⁴¹ World Integrated Trade Solution (WITS), World Bank (UN Comtrade). (2024). *Philippines exports of HS 160510 (Crab, prepared or preserved)*, 2023. <https://wits.worldbank.org/trade/comtrade/en/country/PHL/year/2023/tradeflow/Exports/partner/ALL/product/160510>

Dependency	Description	Example of Companies/ Organizations	Economic Contribution
	often conflict with wetland conservation due to reclamation and pollution risks.	Terminal Inc.(Batangas/Manila operations)	from 2018 to 2022. ⁴² Infrastructure mega-projects like the New Manila International Airport (Bulacan) and the expansion of Davao's port facilities are projected to be primary engines of regional growth, though they necessitate massive investment in flood mitigation and offset programs.
Mariculture	Panabo Coast hosts the Panabo City Mariculture Park, a specialized zone for intensive cage farming of high-value marine species. This "industrialized" form of aquaculture relies on the site's water quality and circulation while providing a scalable model for food security. ⁴³	Panabo City Mariculture Park (LGU-managed zone), Feedmix Specialist Inc. II (<i>feeds/aquaculture support</i>), Oversea Feeds Corporation	Mariculture parks have significantly boosted mariculture production in municipal waters. In Davao del Norte, the mariculture sector provides hundreds of direct jobs and supports ancillary industries like feed milling, cage fabrication, and processing, contributing to the region's food security and export capacity. ⁴⁴

Cluster B - Philippines' Inland Wetlands

Table 5 illustrates how the Philippines' inland wetlands function as critical engines for regional food security, energy generation, and climate adaptation and mitigation. Unlike the coastal sites which are heavily influenced by maritime trade and industrial logistics, inland ecosystems such as Agusan Marsh, Candaba Wetlands, and Lake Mainit are deeply integrated into the domestic agricultural sector and local subsistence economies. These sites act as vast natural regulators: controlling floods to protect downstream rice granaries and cities, supporting niche industries like run-of-river hydropower, and small-scale freshwater aquaculture. The economic value of these wetlands is frequently realized through "avoided costs" (disaster risk reduction) and the stability they provide to national agricultural belts.

Table 5. Key Economic Dependencies in the Inland RFI Sites

Dependency	Description	Example of Companies/ Organizations	Economic Contribution
Floodplain Agriculture (Rice & Crops)	The agricultural output of Central Luzon and Agusan del Sur is intricately tied to the hydrological cycles of Candaba Wetlands and Agusan Marsh. In Candaba, the dry season drawdown allows for the cultivation of rice and watermelon in nutrient-rich sediments ("swamp farming"), while Agusan Marsh acts as a catch basin that stores rainwater and reduces downstream flood flows (helping regulate flooding and drought conditions). ^{45,46}	Macagatal Irrigators Association (Candaba rice farmers), Local Government Unit (LGU) of Candaba (<i>manages planting calendar</i>), National Irrigation Administration (NIA), Agusan del Sur Provincial Agriculture Office	Central Luzon, supported by the flood regulation of Candaba, is the country's top rice-producing region, accounting for nearly 20% of national <i>palay</i> production. ⁴⁷ Agusan del Sur serves a similar role for Mindanao, where agriculture is a key driver of the provincial economy (with agriculture, forestry, and fishing among the main contributors to and

⁴² Senate Economic Planning Office (SEPO), Senate of the Philippines. (2024). Blue Economy Policy: Harnessing Ocean Wealth for Sustainable Growth (PB-24-05).

https://legacy.senate.gov.ph/publications/SEPO/SEPO_Policy%20Brief_Blue%20Economy_final.pdf

⁴³ SEAFDEC/AQD Institutional Repository. (2016). Sustainable milkfish production in marine fish cages through strong government support and effective public-private partnerships: a case study from Panabo City Mariculture Park in Davao del Norte, Philippines. <https://repository.seafdec.org.ph/handle/10862/2925>

⁴⁴ Food and Agriculture Organization of the United Nations (FAO). (2013). Country case studies: Agribusiness public-private partnerships (Philippines: Panabo City Mariculture Park Project). <https://www.fao.org/4/ar849e/ar849e16.pdf>

⁴⁵ Lecciones, A. M. (2022). Empowering Communities for Managing Agricultural Wetlands. https://www.eaaflyway.net/wp-content/uploads/2022/06/5.-SCPW_Candaba-Wetlands_Amy-Lecciones-compressed.pdf

⁴⁶ UNESCO World Heritage Centre. (2024). Agusan Marsh Wildlife Sanctuary (Tentative List). <https://whc.unesco.org/en/tentativelists/6716/>

⁴⁷ Department of Agriculture - Regional Field Office III. (2024). Central Luzon Contributes 18.14% to 2023 National Rice Production. <https://rfo3.da.gov.ph/index.php/central-luzon-contributes-18-14-to-2023-national-rice-production/>

Dependency	Description	Example of Companies/ Organizations	Economic Contribution
			ensures food staples for growth) the southern Philippines. ⁴⁸
Renewable Energy (Hydropower)	Lake Mainit demonstrates a direct industrial dependency on wetland ecosystem services. According to stakeholder consultations, a tunnel diverts water from the lake to power the hydroelectric plant and discharges it into the sea (Magdagoooc side). This sector requires the preservation of the watershed to prevent siltation that would compromise turbine efficiency.	APC: Agusan Power Corporation (Operator of Lake Mainit Hydro), J-POWER (Japanese investor/partner in the hydro project), Markham Resources Corporation, ANECO: Agusan del Norte Electric Cooperative (<i>power offtaker</i>)	The 25MW Lake Mainit Hydroelectric Power Plant is a critical source of renewable electricity for surrounding Caraga communities (supplying ANECO and nearby demand). ⁴⁹ By generating renewable energy, it stabilizes local electricity prices and supports the industrialization of the Caraga region, while contributing real property taxes and "ER 1-94" financial benefit shares for host communities. ^{50,51}
Freshwater Fisheries	Unlike marine sites, inland fisheries in Lake Mainit and Agusan Marsh are predominantly artisanal but vital for regional protein supply. ⁵² Lake Mainit supports a specialized fishery for <i>Pijanga</i> (white goby) and freshwater eels (<i>Kasili</i>). ⁵³ In Candaba, the wetland serves as a natural seasonal fishpond/fishing ground during the wet season, and supports duck-raising industries. ⁵⁴ Interviews with People's Organization (PO) in the area highlight that during peak flooding, portions of the wetland are converted into aquaculture ponds for rearing <i>bulig</i> , <i>tilapia</i> , <i>plapla</i> , and shrimp, reflecting the wetland's multifunctional role in sustaining local livelihoods and food security.	Lake Mainit Development Alliance (LMDA), Bureau of Fisheries and Aquatic Resources (BFAR) Caraga, Candaba duck raisers cooperatives, Freshwater eel traders/exporters (supply chain to East Asia), Macagatal Irrigators Association in Candaba	Inland municipal fisheries provide the primary source of affordable protein for landlocked communities. In Lake Mainit, the fishery sector has historically been valued at over PHP 700 million annually. ⁵⁵ Additionally, Pampanga's duck egg (balut) production sector (particularly in Candaba and nearby municipalities) supplies markets nationwide; the Philippine duck industry overall is valued in the multi-billion PHP. ⁵⁶
Flood Risk Management	While not an extractive industry, the Real Estate and Public Infrastructure sectors in Bulacan, Pampanga, and Butuan City have a critical passive dependency on these wetlands. Candaba and Agusan Marsh retain massive volumes of floodwater (Candaba Swamp natural water retention capacity estimated at over 1	NLEX: North Luzon Expressway Corporation, DPWH (Department of Public Works and Highways), Regional real estate developers (e.g., those in San Fernando/ Butuan), NDRRMC: National Disaster Risk Reduction and Management Council	The ecosystem service of flood regulation provided by Candaba Wetlands is increasingly treated as a strategic flood mitigation function for the flood-prone NLEX Candaba corridor, while Candaba's floodplain also underpins Pampanga livelihoods through agriculture. ^{59,60} This "invisible" economic contribution

⁴⁸ Philippine News Agency. (2024). Economies of Agusan provinces rebound in 2022: PSA.

<https://www.pna.gov.ph/articles/1216954>

⁴⁹ Engineering and Development Corporation of the Philippines (EDCOP). (n.d.). Lake Mainit Hydropower Project.

<https://edcop.ph/projects/lake-mainit-hydropower-project/>

⁵⁰ Mangadlao, I. M. (2023). 24.9MW hydro plant inaugurated in Agusan Norte.

<https://mindanews.com/business/2023/07/24-9mw-hydro-plant-inaugurated-in-agusan-norte/>

⁵¹ Department of Energy (DOE). (2025). DOE increased five-fold benefit for energy-hosting communities under ER 1-94 Program. <https://doe.gov.ph/articles/3119524--doe-increased-five-fold-benefit-for-energy-hosting-communities-under-er-1-94-program>

⁵² Baclayo, J. M., Alcantara, M. T., Holoyohoy, L. M., & Alaba, L. A. (2020). Status of Fisheries in Agusan Marsh: Lapaz and Talacogon, Agusan del Sur, Mindanao. <https://nfrdi.da.gov.ph/tpjf/vol27/Status%20of%20Fisheries%20in%20Agusan%20Marsh%20Lapaz%20and%20Talacogon.pdf>

⁵³ National Fisheries Research and Development Institute (NFRDI). (2025). FEATURE: Advancing sustainable fisheries and ecosystem management of Lake Mainit. <https://nfrdi.da.gov.ph/2025/09/04/advancing-sustainable-fisheries-and-ecosystem-management-of-lake-mainit/>

⁵⁴ BirdLife International. (n.d.). Candaba. <https://datazone.birdlife.org/site/factsheet/9707-candaba-swamp>

⁵⁵ National Fisheries Research and Development Institute (NFRDI). (2025). FEATURE: Advancing sustainable fisheries and ecosystem management of Lake Mainit. <https://nfrdi.da.gov.ph/2025/09/04/advancing-sustainable-fisheries-and-ecosystem-management-of-lake-mainit/>

⁵⁶ DOST-PCAARRD. (2022). Duck Industry Profile. <https://ispweb.pcaarrd.dost.gov.ph/duck/>

⁵⁹ Dantes, C. (2023). Elevated NLEX part, water impounding system to solve flood woes.

<https://manilastandard.net/?p=314358174>

⁶⁰ Juarez-Lucas, A. M., Kibler, K. M., Ohara, M., & Sayama, T. (2016). Benefits of flood-prone land use and the role of coping capacity, Candaba floodplains, Philippines. <https://link.springer.com/article/10.1007/s11069-016-2551-2>

Dependency	Description	Example of Companies/ Organizations	Economic Contribution
	billion cubic meters), shielding major highways, industrial parks, and residential subdivisions from catastrophic inundation. ^{57,58}		underpins the viability of the massive infrastructure investments in the Manila Bay urban expansion area.

Many of the identified actors with direct economic dependencies on the Philippines' RFI wetlands are small-scale entities, including People's Organizations (POs), municipal fisherfolk associations, small-holder farmers, and indigenous cultural communities. Their limited financial capacity and subsistence-based operations make them unlikely purchasers of nature credits. Instead, their critical value lies in their role as on-the-ground stewards who can implement, co-manage, and benefit from the maintenance and restoration activities that underpin contribution claims. Meaningful and equitable participation of these groups, particularly within the framework of Protected Area Management Boards (PAMBs), remains essential, as it builds community ownership, strengthens social legitimacy, and supports the long-term continuity of conservation practices.

The Philippines' broader corporate and financing landscape points to large conglomerates, energy companies, and financial institutions with established sustainability frameworks as the most realistic voluntary buyers, given their scale of capital, broad geographic presence, ESG disclosure requirements, and operational exposure to climate risks (alongside indirect operational or financial dependencies on wetland ecosystems). Table 4 indicates that although dependencies are identified, the pre-identified players are small- to medium-scale and are not positioned as buyers of nature credits but rather as supply-side actors. This reinforces the importance of a top-down engagement approach to unlocking sustainable demand, which begins with credible private sector participants that have clear mandates for climate resilience and decarbonization. Pilot designs can be modified to enhance attributes valued by potential buyers, or clustered (in the case of low issuance potential in smaller sites) to meet off-taker expectations for outcomes, scale, and reporting/disclosure use cases. Such engagement can increase the probability that pilot project design, credit characteristics, and offtake pathways reflect actual market demand, which in turn strengthens financial viability and builds early confidence in a nascent nature credit market.

Additionally, bilateral meetings with potential investors and project developers further affirm this dynamic: these actors are primarily motivated to invest in sites that align closely with their existing value-chain operations. Beyond meeting regulatory mandates, their commitments to achieving net-positive outcomes were confirmed to be a key driver of their interest in supporting these sites. At the same time, stakeholders underscored that barriers such as the high upfront costs associated with prefeasibility and feasibility studies, as well as Project Design Document development, could be mitigated through the establishment of appropriate derisking mechanisms. Dedicated derisking funds were identified to reduce financial exposure, enable more developers to invest in nature credit projects, and support earlier participation in an emerging market.

While current desktop mapping does not yet pinpoint which specific companies are likely to purchase nature credits linked to the RFI sites, understanding ecosystem dependencies and exposure to physical climate risks remains a critical foundation. The resilience of major sectors such as real estate, logistics, commercial aquaculture, and hydropower depends heavily on the health of Philippine wetlands, mangroves, and marshlands that provide essential input resources and

⁵⁷ Costamero, J. L. (2023). Land conversion threatens Candaba Swamp, Central Luzon's 'flood sponge'. <https://climatetracker.asia/land-conversion-threatens-candaba-swamp-central-luzons-flood-sponge/>

⁵⁸ Ramsar Sites Information Service. (1999). Agusan Marsh Wildlife Sanctuary. <https://rsis Ramsar.org/RISapp/files/RISrep/PH1009RIS.pdf>

protection against hazards like typhoons, flooding, and siltation. As these natural assets contend with degradation drivers, operational and supply chain risks are magnified. This can undermine productivity and weaken regional economic stability. Investments in nature credits may therefore be framed as risk management lever and a strategic asset for business continuity, rather than simply a discretionary ESG expense. Over time, expanding the nature financing spectrum into complementary mechanisms such as payment for ecosystem services (PES) or compliance-oriented offsets can reinforce sectoral accountability and effectively distribute the costs of ecosystem conservation across value chains.

Note: Unlike the Bangladesh and Thailand Country Case Studies, which reference Stakeholder Consultations as a basis for confirming the interest of large firms and banks, the Philippines' analysis above relies primarily on desktop mapping of the economic landscape and general market trends and bilateral meetings, which represent primary data. Specific data regarding the willingness-to-pay or strategic interest of specific Philippine conglomerates (e.g., via direct interviews or consultations) is yet to be collected via the Country Workshop or targeted FGDs with select stakeholders from the private sector, CSOs, and site management representatives. Because of this, the identification of "viable voluntary buyers" remains an inference based on sector alignment rather than confirmed stakeholder intent.

c) Key Supply-Side Stakeholders in Philippine RFI Sites

Following the assessment of potential demand-side actors, this section shifts focus to the supply side such as the institutions, communities, and enterprises capable of generating and sustaining high-integrity ecological outcomes across the Philippine RFI sites. The identification of potential suppliers was based on prior early-stage site concepts (site studies), site-level project documents, and supplementary desk research.

Supply-side stakeholders form the operational backbone of potential nature credit mechanisms. They manage ecosystems, implement conservation and restoration activities, and maintain ecological integrity that could be verified and quantified into tradable nature credits. Mapping these actors provides insight into institutional readiness, existing project baselines, and the range of delivery partners who could participate in pilot projects. For analytical clarity, supply-side stakeholders were grouped into **three institutional typologies**, reflecting their primary functions and governance roles (Table 6):

1. **Regulators and Policy Enablers** - Government agencies with jurisdictional or legislative mandates for forests, wetlands, fisheries, and coastal management. They define policy frameworks, approve projects, and ensure legal compliance.
2. **Implementers and Resource Managers** - Local bodies, co-management committees, and community-based groups responsible for the day-to-day stewardship of ecosystems, fisheries, and protected areas.
3. **Support and Enabling Partners** - NGOs, academic institutions, and development partners that provide technical expertise, funding, monitoring, and MRV support to strengthen implementation capacity

Table 6. High-level Mapping of Potential Supply Stakeholders in RFI Sites

RFI Site	Supply-Side Stakeholder Typology		
	Regulators and Policy Enablers	Implementers and Resource Managers	Support and Enabling Partners
Agusan Marsh Wildlife Sanctuary	• Department of Environment and Natural Resources (DENR) • National Commission on Indigenous Peoples (NCIP) • Department of Agriculture-Bureau of Fisheries and Aquatic Resources (DA-BFAR)	• Manobo Tribe • Protected Area Management Board (PAMB) and Protected Area Management Office (PAMO) • Fishing communities and People's Organizations	• Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) • Caraga State University • Asean Center for Biodiversity • UP Marine Science Institute • Wetlands International Philippines (WIP)

RFI Site	Supply-Side Stakeholder Typology		
	Regulators and Policy Enablers	Implementers and Resource Managers	Support and Enabling Partners
	- Local Government of Agusan del Sur - Provincial Government of Agusan del Sur and concerned municipalities (e.g., Talacogon, San Francisco ordinances supporting peatland protection)⁶¹		- Society for the Conservation of Philippine Wetlands (SCPW) - Agusan del Sur State University - DOST and NRCP-supported research partners (e.g., Caraga State University projects)
Candaba Wetlands	- DENR - National Irrigation Administration (NIA) - Municipal Government of Candaba and Barangay Paligui - Provincial Government of Pampanga - Department of Tourism (for oversight on tourism protocols and programs)	- Macagatal Irrigators Association - Private landowners (agricultural and wetland users) - Candaba LGU (assistance or leading local implementation, licensing support, on-ground coordination) - Local ecotourism guides and operators - Society for the Conservation of Philippine Wetlands (SCPW) - implementing Living Lakes Biodiversity and Climate Project	- SCPW - can function as a technical knowledge partner given their execution experience in the area - Global Nature Fund, Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection, and the International Climate Change Initiative via the Living Lakes Biodiversity and Climate Project implemented by the SCPW - ADB, UNDP-GEF, GEF via UNOPS, and SDC (Swiss Agency for Development and Cooperation) project support for wetland and flyway initiatives⁶²
Lake Mainit	- DENR - Philippine Council for Aquatic and Marine Research and Development (for research) - DA-BFAR - NCIP	- Lake Mainit Development Alliance (LMDA) - Local Fisherfolk Associations - People's Organizations	- Mindanao State University - Naawan - DOST-PCAARRD
North Manila Bay Bataan (Balanga Wetlands)	- Balanga City and Provincial Government - DENR - DA-BFAR	- Fisherfolks Organization - Balanga City LGU on-ground managers (e.g., environment/tourism units operating the Wetlands & Nature Park)⁶³ - Community ecotourism operators / guides tied to the park	- DENR technical support for migratory bird and wetland programs linked to the city's wetland proximity⁶⁴ - Wild Bird Club of the Philippines which supports the Asian Waterbird Census, and early years of development and design of the Balanga City Wetland and Nature Park - Recognition of Balanga as a RAMSAR city
Bangrin Marine Protected Area	- Bani Municipal Government - DENR - DA-BFAR - Provincial Government of Pangasinan	- Nagkaisang Samahan ng San Miguel Association (NAGKASAMA) - Aporao Fisherfolks Association (AFA) - Local tourism operators and site management stakeholders	- UP Marine Science Institute - Conservation International Philippines, WWF Philippines⁶⁵

⁶¹ East Asian-Australasian Flyway Partnership. (2017). Site Information Sheet on East Asian-Australasian Flyway Network Sites: Agusan Marsh Wildlife Sanctuary. <https://eaaflyway.net/wp-content/uploads/2025/12/EAAF159-Agusan-Marsh-Wildlife-Sanctuary-SIS.pdf>

⁶² Interview with representatives from Society for the Conservation of Philippine Wetlands. 10 October 2025.

⁶³ Philippine Information Agency. (2026). Bataan wetlands host over 8K waterbirds, highlighting thriving ecosystem. <https://pia.gov.ph/news/bataan-wetlands-host-over-8k-waterbirds-highlighting-thriving-ecosystem/>

⁶⁴ Senate and House of Representatives of the Philippines in Congress. (2019). Republic Act No. 11365. <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/2/92727>

⁶⁵ LMP, DA-BFAR, FISH Project, WWF Philippines, Conservation International. (2009). Directory of CRM Learning Destinations in the Philippines. https://oneocean.org/download/db_files/directory_of_crm_destinations2Ed.pdf

RFI Site	Supply-Side Stakeholder Typology		
	Regulators and Policy Enablers	Implementers and Resource Managers	Support and Enabling Partners
Zamboanga Sibugay Wetlands (Kabasalan Siay Wetland Area)	- DENR - DA-BFAR - Provincial and Municipal Governments - NCIP	- Community-based Organizations (e.g. COMFAS - Coalition of Municipal Fisherfolks Associations of Zamboanga Sibugay)⁶⁶ - Local tourism operators (e.g., Kabog Mangrove Ecotourism Park operations) - People's Organization and existing cooperatives - Peace & Equity Foundation (may fulfill the roles of both a program developer and implementor, as well as a support and coordination function alongside other stakeholders)⁶⁷	- Philippine Biodiversity Conservation Foundation, Inc. (PBCFI) - Oceanus Conservation - has ongoing work on mangrove (including mangrove fruit flour products in Kabasalan) - Mindanao State University - Iligan Institute of Technology (MSU-IIT) - cited as a research partner for Inventory of Mangrove Species and Inventory of Carbon Stocks for Mangroves and Seagrass in Sibugay Wetlands - Tourism Infrastructure and Enterprise Zone Authority (TIEZA) (funding support cited for mangrove ecotourism development) - Peace & Equity Foundation
Negros Occidental Coastal Wetlands Conservation Area	- DENR - Concerned Local Government Units - DA-BFAR	- Negros Occidental Coastal Wetland Area Management Alliance (NOCWAMA) - Kabankalan Himamaylan Ilog Integrated Coastal Area Management Council (KAHIL-ICAMC) - Central Negros Council for Coastal Resources Development (CENECCORD)	Philippines Biodiversity Conservation Foundation, Inc. (PBCFI)
North Manila Bay Pampanga (including Sasmuan Pampanga Coastal Wetlands)	- Sasmuan Municipal Government - DENR - DA-BFAR	- Fisherfolks Organizations - Tourism Operators - Fishing and Aquaculture cooperatives	Hann Foundation Inc. (wetland/mangrove-related support footprint cited for Sasmuan area initiatives)⁶⁸
North Manila Bay (Bulacan)	- Concerned Local Government Units - DENR - DA-BFAR (aquaculture & fisheries jurisdiction relevant to fishpond-dominated areas)	- Pambansang Lakas ng Kilusang Mamalakaya ng Pilipinas (PAMALAKAYA) - People's Organization - Fishpond owners and Aquaculture operators	- San Miguel Corporation (SMAI)- implementing biodiversity offset program tied to Bulacan Coastal Ecosystems⁶⁹ - Wetlands International Philippines - fishpond and wetland work in Bulacan⁷⁰
Olango Island Wildlife Sanctuary	- DENR - Provincial Government of Cebu - DA-BFAR	- PAMB and PAMO - People's Organizations and existing cooperatives	- Philippines Biodiversity Conservation Foundation, Inc. (PBCFI) - Ramsar-linked technical ecosystem
Panabo Coast	- DENR - City Government of Panabo - DA-BFAR (for municipal fisheries and aquaculture jurisdiction where applicable)	- Existing fishing and aquaculture cooperatives - Local Tourism operators	Davao del Norte State College

⁶⁶ East Asian-Australasian Flyway Partnership. (2017). Site Information Sheet on East Asian-Australasian Flyway Network Sites: Sibugay Wetland Nature Reserve. <https://eaaflyway.net/wp-content/uploads/2025/12/EAAF159-Agusan-Marsh-Wildlife-Sanctuary-SIS.pdf>

⁶⁷ Business Mirror. (2025). Sibugay stakeholders unite to protect Sibugay Bay, strengthen livelihoods. <https://businessmirror.com.ph/2025/08/10/sibugay-stakeholders-unite-to-protect-sibugay-bay-strengthen-livelihoods/>

⁶⁸ Arlyn E. Lukban. (2026). Hann Foundation leads Sasmuan BakaOne.

⁶⁹ San Miguel Corporation. (2024). SMC wins international award for Biodiversity Offset Program in Bulacan. <https://www.sanmiguel.com.ph/corporate/news/smc-wins-international-award-for-biodiversity-offset-program-in-bulacan>

⁷⁰ Wetlands International. (2023). Bluer Forests for the People of Bulacan's Intertidal Zones. <https://www.wetlands.org/blog/bluer-forests-for-the-people-of-bulacans-intertidal-zones/>

RFI Site	Supply-Side Stakeholder Typology		
	Regulators and Policy Enablers	Implementers and Resource Managers	Support and Enabling Partners
		Community POs engaged in mangrove and ecosystem stewardship	
Tubbataha Reefs Natural Park	- Palawan Council for Sustainable Development (PCSD) - DENR - Municipality of Cagayancillo, Palawan	- Tubbataha Protected Area Management Board (TPAMB) - Tubbataha Management Office (TMO) - Tourism operators - Park Rangers and multi-agency enforcement (e.g., Philippine Coast Guard and Navy participation in ranger system)⁷¹ - Accredited dive and liveaboard tourism operators	- WWF-Philippines (documented partnership work with TMO)⁷² - Private foundations and corporate partners supporting monitoring & protection (e.g., MPIF-TMO partnership)⁷³ - UNESCO World Heritage Centre and related international maritime protection support⁷⁴

Across the twelve RFI sites, the mapping highlights a rich network of existing institutions and partnerships that can underpin nature credit readiness:

- **National-level regulators and policy enablers**, primarily the Department of Environment and Natural Resources (DENR), the Department of Agriculture, Bureau of Fisheries and Aquatic Resources (DA-BFAR), the National Commission on Indigenous Peoples (NCIP), and concerned Local Government Units (LGUs), hold overarching jurisdiction and mandate across most RFI sites, shaping the legal and policy conditions for credit generation (e.g., tenure and rights recognition, permitting, protected area governance, and compliance). In several locations, site-specific authorities such as the National Irrigation Administration (NIA) (Candaba) and the Palawan Council for Sustainable Development (PCSD) (Tubbataha) provide additional regulatory or management authority, while tourism-linked governance (e.g., Department of Tourism (DoT) coordination on tourism protocols) can be material in wetland sites with ecotourism pathways.
- **Local implementers and resource managers**, including Protected Area Management Boards/Offices (PAMB/PAMO) for sites within the Protected Area system, Indigenous Peoples communities (e.g., the Manobo Tribe in Agusan Marsh), and a wide range of community-based and local actors (fisherfolk associations, irrigators' associations, cooperatives, aquaculture operators, and various People's Organizations) play critical roles in day-to-day resource stewardship, habitat management, conservation activities, and community-based enforcement across sites. In relevant sites, local tourism operators and community-based guides are also implementers in practice, supporting on-the-ground management through visitor protocol enforcement, compliance with site policies and safeguards, and livelihood-linked M&P and restoration efforts (notably in wetland ecotourism contexts like Candaba).
- **Support and enabling partners**, including site-based NGOs (e.g., SCPW and technical NGOs such as PBCFI), international partners (e.g., GIZ, Wetlands International Philippines), and academic institutions (e.g., Caraga State University, Mindanao State University-Naawan, UP

⁷¹ Tubbataha Reefs. (N.D.). About Tubbataha. <https://tubbatahareefs.org/about-tubbataha-1>

⁷² WWF Philippines. Protection of Tubbataha Reefs gets boost with new mapping, survey project. (2022).

<https://archive.wwf.org.ph/resource-center/story-archives-2022/protection-of-tubbataha-reef-gets-boost-with-new-mapping-survey-project/>

⁷³ Metro Pacific Investments Corporation. MPIF, TMO Partnership Strengthens Tubbataha Marine Conservation (2023). <https://www.mpic.com.ph/mpif-tmo-partnership-strengthens-tubbataha-marine-conservation/>

⁷⁴ UNESCO World Heritage Convention. Tubbataha Reefs protected from international shipping impacts. (2017). <https://whc.unesco.org/en/news/1696>

Marine Science Institute, and Davao del Norte State College), provide the technical and institutional functions needed for credit readiness, including scientific baselines, biodiversity assessments, MRV support, and capacity building. For coastal and marine sites, this enabling ecosystem can integrate institutions such as De La Salle University (DLSU) for marine science and baseline development and NAMRIA (alongside the government's geospatial function) as a critical data stewardship/hosting partner, supporting publicly available, verifiable, third-party accessible datasets and repositories independent of project proponents.

Nature credit pilots in the Philippines must accommodate highly diverse governance and tenure arrangements across RFI sites, including nationally protected areas, community-managed landscapes, indigenous territories, irrigated agricultural lands, aquaculture zones, and privately held wetland properties. **For sites without formal protection or with mixed or private tenure, establishing clear management arrangements, defined roles, and long-term stewardship responsibilities, while aligning with existing legal frameworks, is a priority.** Implementers often extend beyond traditional resource-user groups to include locally embedded actors such as tourism-linked implementers where relevant. In parallel, strengthening data governance and MRV credibility through independent data stewardship and hosting, transparent methodologies, and third-party verifiability should be treated as a core enabling condition for market trust, credit integrity, permanence, and scalability, rather than a purely technical add-on.

Breakout Box 3. Reflections from Key Informant Interviews and Bilateral Meetings: Demand and Supply-side Insights on Nature Credits

Reflections from Key Informant Interviews and Bilateral Meetings

- **Potential supply-side stakeholders have underscored the economic criticality of the ecosystem services provided by their site, arguing that the financial contribution of these should be formally recognized and funded to ensure their continued provision.** The Candaba Wetlands, for instance, act as a natural flood catchment, safeguarding indispensable economic activities across Central Luzon. In a private consultation, CSO-affiliated stakeholders suggested that these ecosystem services be actively sustained through a funding mechanism; this may take the form of a market-based mechanism (like Nature Credits) or a compliance-oriented instrument (like PES). A key dependency to address, before developing the optimal funding pathway, is obtaining accurate, reliable estimates of the ecosystem services' value.
- **Discussions with potential investors and project developers revealed a consistent pattern in which investment interest is concentrated in sites that are directly connected to their existing value chain operations.** These actors emphasized that while regulatory compliance remains a baseline consideration, their commitments to advancing nature positive outcomes, together with the anticipated benefits for surrounding communities, play a central role in shaping their willingness to support specific sites.
- **Given the high upfront costs associated with prefeasibility and feasibility studies, as well as Project Design Document development, establishing appropriate derisking mechanisms such as a dedicated derisking fund could enable project developers to pursue investments in nature projects more effectively.**

VIII. Viability Assessment of RFI Sites for Nature Credits

A. Nature Credits Principles and Parameters for Viability: Framing and Approach

While the viability of nature credits at any site will ultimately depend on field-based validation and direct stakeholder engagement, this study provides a proposed diagnostic framework to guide such assessments. It draws on available data from prior RFI site studies, complemented by secondary literature and comparative insights from other jurisdictions where nature credit mechanisms are emerging. The aim is not to deliver definitive feasibility results, but to translate the ecological, socio-economic, and financing information already available into structured decision criteria. These criteria are organized under five enabling pillars synthesized from Phase 1 of this study: Legal and Policy Foundation, Standards & Metrics, Market Incentives, Governance & Institutions, and Social Equity & Safeguards, each linked to site-specific variables. Together, they provide a structured lens for identifying both the opportunities and the risks of developing nature credit mechanisms across the Philippines wetland portfolio.

Table 7 below presents this framework that highlights how available ecological, socio-economic, and financing data can be translated into decision criteria - categorized as *core*, *operational*, *scaffolding*, and *market-building* - for identifying opportunities and risks in developing nature credit mechanisms.

Table 7. Parameters and Variables to Assess Viability

Enabling Environment Pillar	Core Viability Parameter	Site-Level Variables Used	Rationale
Legal and Policy Foundation (laws and mandates that establish a regulatory basis)	Additionality including Protected Area Status	- Wetland Type & Conservation Status - Presence/quality of Management Plan	Protected area designations, management plans, and statutory roles of agencies define the legal baseline and regulatory space for nature credits. However, outdated or weak plans, fragmented implementation, lack of project continuity may increase potential additionality, as proposed interventions may not sufficiently address ongoing or emerging threats to biodiversity.
	Government & Stakeholder Alignment (policy/mandates aspect)	- Mandates of DENR DA, local govt, etc. - Legal recognition of site (Ramsar, WHS, IBA/KBA, ECA, PA)	Legal mandates and institutional authority establish the regulatory foundation that governs interventions and crediting eligibility.
Standards, Metrics & Market Infrastructure (verification, monitoring, trading)	MRV Readiness	- Carbon Sequestration estimates - Valuation of Flood/Coastal Protection - Land Use Change / Spatial Mapping	Ability to measure, report, and verify ecological gains underpins integrity of credits. Current reliance on secondary/literature estimates points to medium confidence but a viable basis.
	Permanence / Resilience of Ecological Gains	- Threats to Ecosystems - Key Drivers of Change - Alternate State	Permanence requires low reversal risks. High exposure to land clearance, erosion, or climate change weakens long-term viability unless offset by strong governance and restoration commitments.
Market Incentives (fiscal and financial demand levers)	Market-Building Potential	- Existing Economic Activities (e.g., fisheries, ports, shipping, agriculture) - Identified ES dependencies (storm/flood regulation, food, climate regulation)	Demand drivers create a 'buyer logic' for credits. Where dependencies are strong, markets for credits are more likely to materialize.
	Financing Scaffolding	- Potential Co-financing (donor, MDB, CSR) - Intervention Costs (from RFI concepts)	Supply-side readiness is indicated by the presence of financing initiatives, MDB or donor pipelines, and costed interventions, which lower investor entry barriers.

Enabling Environment Pillar	Core Viability Parameter	Site-Level Variables Used	Rationale
Governance & Institutions (roles, mandates, capacity)	Government & Stakeholder Alignment (institutional aspect)	- Identified Management Stakeholders - Enforcement/management effectiveness	Institutional willingness and coordination determine whether interventions can be implemented and monitored effectively.
	Nature Credit Archetype	- Threats to Ecosystems - Threat Severity - Priority for Restoration vs. M&P Potential - Proposed RFI Interventions	Determines feasibility of credit type. Restoration credits require degraded but restorable areas; M&P credits depend on intact ecosystems threatened by loss.
Social Equity & Environmental Safeguards (inclusivity, transparency, ecological integrity)	Community Co-benefits & Social License	- Existing Economic Activities (community reliance) - Livelihood-linked Proposed Interventions (alt. livelihood, Nb-tourism) - Involvement of local cooperatives/Ethnic groups	Social co-benefits and safeguards underpin legitimacy and long-term durability of credits, reducing risks of conflict.
	Nature Credit Archetype (safeguard dimension)	Same as above (Archetype variables) but assessed from equity/safeguard lens	Ensures archetype selection integrates inclusivity, avoids displacement of livelihoods, and protects biodiversity integrity.

B. Nature Credits Viability Assessment for RFI Sites

1. Applying the Framework

The framework above attempts to translate site-level diagnostic data (ecological, socio-economic, financing) into decision variables that may support the viability of launching a nature credit mechanism. The findings are diagnostic and not definitive and provide a structured way to highlight a site's weaknesses, strengths, and where more information is required before moving to project-level conceptualization and structuring.

A low-medium-high scoring (traffic-light system) has been deployed to present an intuitive, decision-maker friendly format that refrains from false precision rating, pending more quantitative benchmarks. Table 8 below summarizes how scoring was determined. These scores ultimately provide a '**viability profile**' rather than a pass/fail score, or a heat map of a) **strengths** (parameters that support immediate exploration of nature credit structuring); b) **moderates** (parameters that require deeper investigation into a next phase study), and c) **weaknesses** (parameters that may represent 'deal-breakers' unless addressed through interventions). A weighting exercise (e.g., weighted multi-criteria analyses) may be introduced later through site-specific ground validation and more stakeholder engagement.

Table 8. Scoring Criteria of the Nature Credits Viability Test

Enabling Pillar	Viability Parameter	Low	Medium	High
Legal & Policy Foundation	Scale (Area)	<20,000 ha - very small area, limited credit issuance, low efficiency.	20,000-100,000 ha - moderate area, viable but limited scaling.	>100,000 ha - very large area, strong issuance potential and economies of scale.
	Additionality (PA status, plan)	Site already under strong legal protection with updated management plan - limited new additionality potential.	Some protection (e.g., PA or flyway designation) but with outdated/weak plans or limited enforcement.	No formal protection or outdated/absent management plan - higher scope for demonstrating additionality.

Enabling Pillar	Viability Parameter	Low	Medium	High
Governance & Institutions	Institutional Alignment	Fragmented or weak institutional mandates; little evidence of coordination; no co-financing.	Mandates exist but enforcement/coordination weak; some project interest present.	Strong alignment: clear mandates, active institutions, co-financing interest, alignment with NDC/NBSAP.
	Archetype Feasibility	(Restoration vs. M&P) Not scored – descriptive only; Priority archetype is determined by threats, drivers, restoration potential.		
Market Incentives	Market-Building Potential	Few or no clear buyer sectors; ecosystem service linkages unclear.	Dependencies identified (e.g., fisheries, agriculture, coastal protection) but buyer mapping incomplete.	Clear economic dependencies and buyer pathways (e.g., shipping, ports, aquaculture, insurance).
	Financing Scaffolding	No mention of financing or co-financing opportunities.	Some indicative or donor-based financing pathways identified.	Explicit co-financing/private sector/MDB interest identified at site level.
Standards & Metrics	MRV Readiness	Indicators absent or weak, difficult to build MRV system.	Some quantitative data available (carbon rates, ES valuations, spatial mapping) but incomplete.	Strong quantitative + spatial data, replicable valuation, credible MRV pathway.
	Permanence / Reversal Risk -man-made (upstream /on-site) or natural disturbances	High threat level, low reversibility, and low resilience capacity (e.g., active land conversion, industrial expansion, or recurring erosion).	Moderate threat level, partial reversibility, and moderate resilience capacity; some mitigation measures in place but pressures remain.	Low threat level, high reversibility, and strong resilience capacity; effective management and ecosystem stability minimize reversal risks.
Social Equity & Safeguards	Community Integration & Social License	Weak or absent linkage of interventions to community livelihoods.	Some integration but not central to intervention design.	Strong linkage to livelihoods, alternative incomes, and stakeholder participation explicitly built in.

These viability profiles allow illumination of themes (e.g., governance limitations) cutting across multiple or all sites and provide key actors for a concerted effort that will deliver wider action for RFI sites.

Lastly, it is also important to note that while considerations of additionality influence the overall scoring, *it does not imply direct exclusion criterion for the issuance of nature credits*, as additionality is assessed more rigorously at later stages of project design and validation. As such, the results should be interpreted as indicative rather than definitive, serving to highlight relative strengths, weaknesses, and priority areas for deeper feasibility assessment in a next-stage, operationalization-level study.

C. Scoring of Site Viability – Portfolio Level Summary and Key Findings

Table 9 below summarizes a portfolio-level screening of the twelve RFI sites in Philippines against the key viability parameters for nature credit development. Organized under pillars covering legal and policy foundations, governance, market incentives, standards and metrics, and social safeguards, the assessment reveals several cross-cutting insights that shape the opportunity landscape. It is important to note that this assessment is based on available RFI data and desktop research. Scores may be refined with deeper site-level reviews and direct consultation with local stakeholders. Box 4 presents stakeholder insights on project development considerations—especially in cases where land tenure complicates the process.

- **Scale.** A small number of sites stand out in terms of spatial extent and potential to support higher volumes of nature credits. Tubbataha Reefs Natural Park, Zamboanga Sibugay Wetlands, and North Manila Bay in Bulacan exceed 100,000 hectares and offer the strongest potential to benefit from economies of scale and cost-efficient credit development. These sites are well

positioned for crediting approaches focused on biodiversity protection, coastal and marine ecosystem services, and long-term management effectiveness.

Although North Manila Bay in Bulacan has strong potential in terms of economies of scale and is a well-recognized biodiversity area, particularly for migratory waterbirds, it may not be a suitable candidate for nature credit development at present due to the absence of a cohesive management body and ongoing land development conflicts, including coastal reclamation.

Agusan Marsh Wildlife Sanctuary and the Negros Occidental Coastal Wetlands Conservation Area fall within a medium size range of 20,000 to 100,000 hectares and remain sufficiently extensive to support viable crediting activities where governance, monitoring, and financing are strengthened. Most remaining sites fall below 20,000 hectares, including Candaba Wetlands, Lake Mainit, Olango Island Wildlife Sanctuary, Bangrin Marine Protected Area, Panabo Coast, and the North Manila Bay sub sites in Bataan and Pampanga. While less suited to large scale standalone credit issuance, the scoring indicates that scale alone should not be treated as a decisive viability criterion, as several smaller sites hold high ecological and social value that may support targeted or pilot interventions.

- **Additionality.** The screening differentiates sites with long standing legal protection from those with limited or absent safeguards. Candaba Wetlands, Panabo Coast, and North Manila Bay in Bulacan score high on additionality due to limited formal protection and ongoing degradation pressures, creating strong potential to demonstrate net new conservation and restoration outcomes.

Sites such as Tubbataha Reefs Natural Park, Agusan Marsh Wildlife Sanctuary, Olango Island Wildlife Sanctuary, and Zamboanga Sibugay Wetlands already benefit from national or international designations. For these sites, additionality is more likely to be demonstrated through measurable improvements in management effectiveness, enforcement, threat reduction, and ecosystem condition rather than through expansion of legal protection.

Consultations with Tubbataha wetland managers highlighted a common misconception that well known sites such as Tubbataha are sufficiently funded. **While the site does receive substantial funding support through philanthropic donors and other multilateral funds (e.g., Global Environment Facility and Green Climate Fund), available resources remain inadequate to cover its high operational and capital requirements.** As a result, nature credits and other market-based mechanisms are being explored to help address these funding gaps. However, it is important to note that **smaller and lesser-known sites across the portfolio face even more limited funding opportunities and lower levels of interest compared to Tubbataha**, further constraining their ability to meet management and restoration needs.

- **Market-building potential and governance.** Market readiness across the Philippine RFI portfolio is generally moderate and reflects varying levels of institutional alignment, financing scaffolding, MRV readiness, and permanence. Ecosystem dependencies are evident across all sites, but further buyer mapping and targeted market engagement will be needed to translate these into concrete demand for nature credits.

Tubbataha Reefs Natural Park also shows strong institutional capacity and financing readiness, supported by an established management authority and sustained funding. Its market potential, however, is more aligned with biodiversity protection and conservation focused credits than with large scale restoration.

Across the remaining sites, market readiness is generally moderate. While ecosystem service dependencies are clear, buyer pathways and financing diversity are still emerging, and additional engagement will be needed to convert these ecosystem benefits into sustained market demand.

- **Community co-benefits.** Social equity and community co-benefits are consistently strong across the Philippine RFI portfolio, with all sites scoring high in this dimension. Local livelihoods linked to ecosystem services such as small-scale fisheries, aquaculture, agriculture, tourism, and Indigenous Peoples stewardship are central to site use and management.

Interventions should therefore avoid livelihood displacement and explicitly support community participation, benefit-sharing mechanisms, and local stewardship arrangements. In sites facing higher development pressure and governance constraints, particularly North Manila Bay Bulacan, social safeguards will be critical to managing trade-offs between conservation objectives and ongoing economic activities, consistent with the higher permanence and conflict risks identified in the scoring.

Breakout Box 4. Reflections from Key Informant Interviews and Bilateral Meetings: Nature Credits Viability Assessment

Reflections from Key Informant Interviews and Bilateral Meetings

- **Understanding and accessing the appropriate land tenure arrangements is crucial to the success of pilot programs.** While sites such as Olango Island Wildlife Sanctuary, Tubbataha Reef National Marine Park, and the Agusan Marsh Wildlife Sanctuary are designated as Protected Areas under the administration of the NIPAS system, Candaba Wetland is primarily comprised of privately-owned parcels of land. This greatly exposes the area to the risks of further agricultural and unsustainable recreational conversion, or high-impact industrial encroachment. A broad conservation-oriented scheme with financial incentives, such as a potential Nature Crediting program, may offset these degradation drivers, with the caveat of voluntary participation on the part of site owners and managers. As a result of fragmented land ownership structures across several Philippine RFI sites, operating Nature Credit programs outside of PAs necessitates securing long-term, contractually enforceable “buy-in” from all relevant stakeholders. Doing so would increase the likelihood of project continuity and ultimately, the durability and permanence of the outcomes underpinning Nature Credits. Despite the complexity of pursuing such agreements, the high additionality potential (e.g., in cases where government protection initiatives for an area are sparse due to privatized governance) and socioeconomic benefits may still present a compelling case for early pilot testing, and later, full implementation.

Table 9. RFI Sites - Portfolio Summary of Nature Credit Viability Potential

Pillar	Sub-Parameter	Agusan Marsh Wildlife Sanctuary	Bangrin MPA	Candaba Wetlands	Zamboanga Sibugay Wetlands	Lake Mainit	NOCWCA	North Manila Bay (Balanga Bataan)	North Manila Bay Pampanga (Sasmuan)	North Manila Bay (Bulacan)	Olango Island Wildlife Sanctuary	Panabo Coast	Tubbataha Reefs Natural Park
Legal & Policy Foundation	Scale	● 40,870 ha	● 82 ha	● 9,987 ha	● 175,684 ha	● 13,996 ha	● 89,608 ha	● 35 ha	● 3,664 ha	● 100,636 ha	● 1,383 ha	● 1,879 ha	● 450,651 ha
	Additionality	● Strong Protected Area (PA) & Ramsar; limited new add'l	● Local Marine PA	● No PA; Mostly Private Lands	● Ramsar and Flyway Site	● Weak protection; legal upgrade pending	● Ramsar & Flyway Site	● With National Law as Wetland and Nature Park (RA 11365)	● Ramsar and Critical Habitat;	● KBA but with no PAs; very high additionality	● PA and Ramsar Site	● Not PA	● UNESCO World Heritage Site, Ramsar and Flyway, Protected Area
Governance & Institutions	Institutional Alignment	● PAMB + IP governance	● LGU + fisher orgs	● LGUs + private landowners + SCPW (NGO)	● DENR-led + Muli agency	● DENR-led + LMDA + LGUs	● DENR-led + Multi-agency + NGOs	● Strong LGU-led + DENR	● DENR + LGU alignment	● Fragmented	● Strong PAMB	● LGU-DENR coordination	● PAMB
	Archetype Feasibility	M&P + restoration	M&P + restoration	M&P (with sustainable livelihood)	Mostly M&P with restoration of AUU fishponds	M&P + restoration	Mostly M&P	Mostly M&P	Mostly M&P	Restoration	Mostly M&P	M&P with restoration	Mostly M&P
Market Incentives	Market-Building Potential	● Fisheries + tourism	● Small fisheries + tourism	● Agriculture + flood services	● Fisheries + blue carbon	● Fisheries + hydropower	● Fisheries + tourism	● Fisheries + tourism	● Tourism + fisheries	● Fisheries + aquaculture	● Tourism-led	● Fisheries + tourism	● Tourism + fisheries
	Financing Scaffolding	● Donors (PLDT Smart), PA fund, Project Support (ACB)	● Heavily from Public funding	● NGO support (SCPW) + GEF	● LGU and NGO support + GEF	● LGU + GEF	● Mostly from public funding	● LGU and DENR funding	● LGU/DENR + with corporate support (Hann Foundation)	● Private sector-linked + MBSDMP-linked	● PA fund, LGU and DENR, other support	● Mostly from public funding	● Public funding, PA fund, Private sector support, international fund
Standards & Metrics	Permanence / Reversal Risk	● Agri & land-use pressure	● Dams + pollution	● Land Conversion pressure	● Aquaculture expansion	● Watershed stress	● Fishing pressure	● Urban pressure	● Industrial pressure	● Reclamation risk	● Tourism pressure	● Urban expansion	● Low; strong enforcement
	MRV Readiness	● Long-term PA datasets, Ramsar Wetland Info Sheet (WIS)	● Limited baselines	● Partial ecological data	● Strong carbon & spatial data, Ramsar WIS	● Ramsar WIS	● Data from Ramsar WIS	● Emerging datasets	● Ramsar WIS, and Critical Habitat data	● Fragmented data	● PA data, bird-focused data	● Limited baselines	● Excellent datasets
Social Equity & Safeguards	Community Co-benefits	● IP livelihoods central	● Community fisheries	● Farmers & fishers central	● Fisheries livelihoods	● Fisheries-based	● Fishers + tourism	● Artisanal fisheries	● Fisheries + tourism	● Livelihoods present	● Tourism livelihoods	● Mixed livelihoods	● Limited local residency

Legend:

● Low (1)

● Medium (2)

● High (3)

D. Prioritization of Viable Nature Credit RFI Sites in Philippines

1. Prioritization Approach

Given the diversity of ecological, socio-economic, and institutional contexts across the twelve RFI wetland sites, a structured prioritization framework is required to identify where nature credit mechanisms may be most viable in the near term. The objective of this step is not to produce definitive feasibility rankings, but rather to provide a comparative diagnostic that highlights relative strengths and weaknesses across sites. Given the portfolio's assessment structured around five enabling environment pillars: (i) Legal and Policy Foundation, (ii) Governance and Institutions, (iii) Market Incentives, (iv) Standards and Metrics, and (v) Social Equity and Safeguards, it is possible to prioritize by the interaction of these. For ease of comparison, these pillars have been grouped into two 'composites': **enabling conditions** (legal and policy foundation, governance and institutions, and social equity and safeguards) and **market readiness** (market incentives and standards and metrics) (Figure 9).

- **Market Readiness (X-axis):** An aggregate of *Market Incentives* and *Standards and Metrics*, representing demand pull, technical integrity, and crediting infrastructure.
- **Enabling Conditions (Y-axis):** An aggregate of *Legal and Policy Foundation*, *Governance and Institutions*, and *Social Equity and Safeguards*, reflecting the policy base, institutional capacity, and community legitimacy required for implementation.

Preliminarily, all pillars are given equal weight, consistent with established multi-criteria analysis methods, where equal weighting is commonly adopted at the screening stage in the absence of empirically derived preferences. These composites now allow us to plot the sites into four quadrants per interaction of the two composite parameters.

Enabling Conditions	Policy-First Pilots Strong enabling base but weaker market readiness; suitable for interventions focused on data, MRV, and market-building	Priority Sites Strong enabling conditions and strong market readiness; candidates for near-term piloting
	Foundations Needed Weak in both dimensions; more suited for long-term investments, bundled approaches	Market-Ready but with Governance/Institutional Limitations Attractive to buyers but lacking institutional strength; require capacity-building and institutional reforms
Market Readiness		

Figure 9. Portfolio Prioritization Framework

Key Assumptions and Limitations: While the quadrant approach provides a useful comparative diagnostic across the twelve RFI sites, it is important to recognize its limitations. Equal weighting of the five enabling environment pillars follows established multi-criteria screening practices but inevitably simplifies complex site realities. Traffic-light scoring reduces nuanced differences in institutional capacity, market demand, or ecosystem threats into categorical ratings, which may obscure localized variations. *As such, the results should be interpreted as indicative rather than definitive*, serving to highlight relative strengths, weaknesses, and priority areas for deeper feasibility assessment in a next-stage, operationalization-level study.

2. Preliminary Assessment on Prioritization

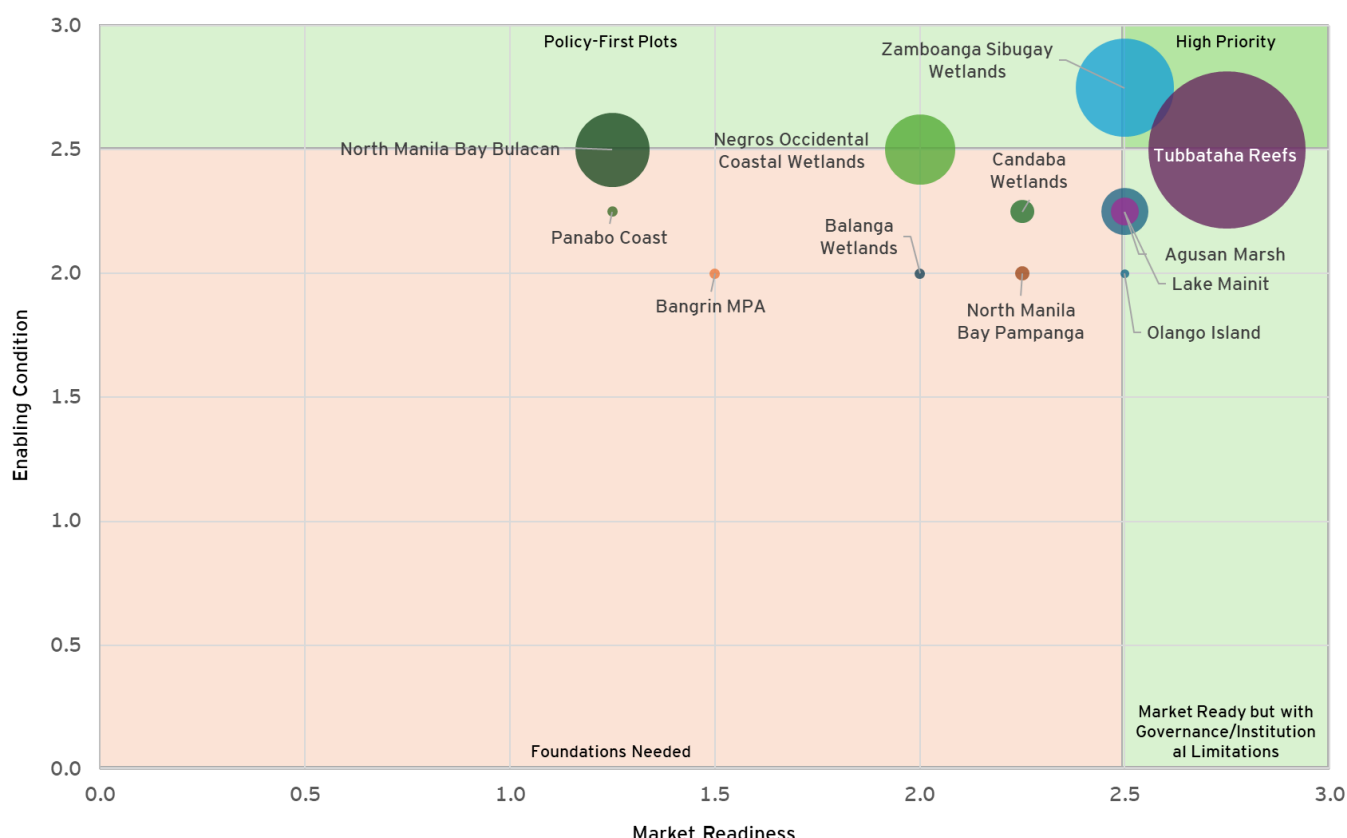


Figure 10. Preliminary Prioritization - Portfolio Level Assessment

The current assessment (Figure 10) identifies **Zamboanga Sibugay Wetlands** and **Tubbataha Reefs Natural Park** as the strongest **near-term candidates** for nature credit development in the Philippines. The Zamboanga Sibugay Wetlands combine large spatial scale, strong recognition from Ramsar and the EAAF, relatively strong DENR-LGU institutional alignment, and potential economic dependencies linked to fisheries, aquaculture, and coastal livelihoods. Its strong MRV foundations, drawing on Ramsar datasets and spatial data, alongside existing public financing support, position it as one of the most investable options in the portfolio. In addition, the landscape presents a significant opportunity to increase mangrove cover through the restoration of AUU (abandoned, undeveloped, and underutilized) fishponds, which can enhance coastal protection, improve fisheries productivity, and strengthen the ecological integrity of the wetland.

Tubbataha Reefs Natural Park, while ecologically distinct as a marine system, represents the most institutionally mature site with robust data, making it potentially suited for nature crediting. Its exceptional scale, strong enforcement and management regime, and long-standing monitoring systems significantly reduce permanence and reversal risks. The presence of diversified financing streams, including public funding, protected area funds, private sector contributions, and international support, further reinforces its readiness and adds to derisking potential private sector investments. However, its very strong protection status also challenges additionality relative to other sites, suggesting that credit design would need to focus on sustained management, biodiversity outcomes, and avoided degradation rather than large incremental restoration gains.

Interviews with Tubbataha site managers emphasized that while the park receives the largest funding allocation among the RFI sites, it would still benefit from additional financing mechanisms to further support its protection and management. Existing public and private funding streams, while

important, remain insufficient to fully cover capital and long-term operational expenses, particularly given the site's remote and accessibility-constrained location. It is important to note that while Tubbataha scores highly in the nature credit priority assessment, interviews with site stakeholders and with Conservation International Philippines (the NGO piloting nature credits in the area) *revealed that there is still no well-defined demand profile for potential buyers of these credits*. To strengthen the site's viability, further work will be needed on buyer mapping and demand development.

A second tier of sites (**Agusan Marsh Wildlife Sanctuary, Candaba Wetlands, Olango Island Wildlife Sanctuary, and Lake Mainit**) demonstrates meaningful potential but would benefit from targeted improvements before near-term credit issuance. These sites exhibit strong social co-benefits, livelihood linkages, and high ecological significance. However, constraints such as land-use pressure, fragmented governance arrangements, challenges related to regulatory additionality, limited to partial ecological baselines, and evolving legal protection frameworks currently limit their immediate market readiness. With focused investments in governance coordination, data consolidation, and permanence risk mitigation, these sites could become viable candidates for piloting in the medium term.

Interviews with stakeholders in **Candaba Wetlands** indicate that the site stands to benefit from financing mechanisms such as nature credits, particularly given its highly degraded condition compared to other marshland habitats. As agriculture is the dominant livelihood across the landscape, credit pathways should prioritize the enhancement of sustainable and climate-resilient agricultural practices. Candaba wetland is seasonally drained to allow farming during the dry months when the wetland dries out and is converted into rice fields and other crops, and becomes inundated during the rainy season, at which time parts of the wetland are also used as fishponds. It functions as a natural catchment basin and flood-retention area.⁷⁵ These hydrological dynamics intensify pressure on the wetland ecosystem and limit opportunities for full ecological restoration. Given that much of the area consists of privately owned lands, large-scale rehabilitation of original wetland habitats may no longer be feasible. For these reasons, nature credit design in Candaba should emphasize restoration-aligned land management, such as improved soil and water practices, biodiversity-friendly farming, and protection of remaining wetland patches, while supporting sustainable livelihood transitions. Opportunities for nature-based tourism may provide complementary income streams, but the core of credit-driven interventions should focus on incentivizing land stewardship that aligns with both ecological function and local socio-economic realities. Further technical studies are required to establish robust MRV systems, and the predominance of privately owned land means that land tenure and ownership considerations must be carefully addressed in project design.

The remaining sites, particularly smaller marine protected areas, estuarine systems, and highly urbanized coastal wetlands such as **Bangrin Marine Protected Area, Panabo Coast, and parts of North Manila Bay**, largely fall into a **foundation-building category**. These areas are characterized by limited scale, higher exposure to urban and industrial pressures, fragmented institutional arrangements, and weaker MRV baselines. While these factors constrain their attractiveness to buyers seeking immediate scale and certainty, many of these sites exhibit very high additionality, strong livelihood relevance, and clear restoration needs.

Nonetheless, these smaller sites may serve important roles in piloting methodologies, testing community engagement models, or serving as demonstration sites for future scaling, but require

⁷⁵ BirdLife International. (n.d.). Candaba Swamp: Factsheet. BirdLife DataZone. Accessed on 6 February 2026. <https://datazone.birdlife.org/site/factsheet/9707-candaba-swamp>

significant groundwork before credit issuance is feasible. That said, project developers may still find strategic entry points in the smaller wetlands. Two considerations stand out:

- **Lower complexity and faster implementation.** Smaller wetlands often involve fewer agencies and stakeholders, reducing transaction costs and enabling quicker approvals and rollouts.
- **Pilot and demonstration value.** Compact wetlands can serve as testbeds for methodologies, MRV systems, and community engagement models, providing proof-of-concept before scaling to larger systems.

Limitations and caveats. It should be emphasized that this prioritization carries a moderate confidence level. The analysis relies on secondary data, primarily from early-stage site concepts (site studies), and does not incorporate direct field validation or detailed stakeholder consultations. While the quadrant framework is a useful diagnostic, it simplifies complex realities into categorical ratings. Improvements in data granularity, market analysis, and stakeholder dialogue will be necessary to refine site rankings and to fully test additionality, permanence, and social safeguards.

E. Assessment Outcomes and Findings

This section synthesizes the findings from the enabling environment review, viability assessment, and dependency mapping, to outline how nature credit development may realistically take shape across the RFI wetland portfolio in the Philippines. While the sites present strong ecological significance and clear livelihood linkages, readiness for market-based crediting remains uneven. The analysis identifies both opportunities and constraints, ranging from scale advantages to governance and market-building gaps in relatively smaller sites.

By combining supply-side considerations (e.g. scale, additionality, permanence) with demand-side drivers (tiered buyer dependencies), this assessment highlights the practical pathways for nature credit pilots, the critical weaknesses that must be addressed, and the complementary mechanisms beyond nature credits that may provide a more immediate and credible financing route for site protection and restoration. Table 10 below summarizes these findings:

Table 10. Summary of Outcomes and Findings

Dimension	Key Findings	Implications for Portfolio
Readiness & Strengths	• A small number of large, institutionally mature sites anchor near-term viability. Tubbataha Reefs Natural Park and Zamboanga Sibugay Wetlands stand out due to scale, strong biodiversity values, established management bodies, and relatively robust MRV foundations. These sites benefit from economies of scale, lower transaction costs per credit, and higher investor confidence. • Additionality is differentiated rather than binary. Well-protected sites (e.g., Tubbataha, Agusan Marsh, Olango Island) face constraints on “avoided loss” additionality but retain strong potential through performance-based credits tied to improved management effectiveness, threat reduction, and ecosystem condition outcomes. Conversely, less protected or degraded sites exhibit higher theoretical additionality due to ongoing pressures and weaker safeguards. • Conservation financing remains insufficient. While sites like Tubbataha appear adequately funded on paper, or relative to the broader RFI portfolio, on-the-ground realities show that current funding still falls short of covering significant capital and operational requirements. These sites stand to benefit	• Near-term pilots should concentrate on Zamboanga Sibugay Wetlands and Tubbataha Reefs Natural Park as flagship sites. • Medium-sized and smaller wetlands remain strategically valuable despite lower scale, particularly for demonstration, aggregation, or targeted credit types (e.g., biodiversity, water regulation, stewardship credits). • Deeper site-level assessments and targeted stakeholder consultations are essential to clarify contextual nuances and identify bespoke nature-credit interventions.

Dimension	Key Findings	Implications for Portfolio
	substantially from mechanisms such as nature credits, which can help bridge persistent financing gaps. • Priority activities are shaped by the unique nuances of each RFI site. Local contexts and on-the-ground realities significantly influence both the activities and the strategies deployed. Although Candaba shows a strong need for restoration, the predominance of privately owned land alters the feasible approach for nature credits. Based on consultations, Candaba would benefit more from restoration-aligned interventions that emphasize sustainable livelihood innovations. • Community co-benefits are consistently strong across the portfolio. All sites demonstrate deep livelihood linkages to fisheries, agriculture, aquaculture, tourism, or indigenous stewardship. Proposed RFI interventions frequently integrate alternative livelihoods, sustainable resource use, and community participation, suggesting a strong social license foundation and lower conflict risk compared to land-intensive carbon forestry models. • MRV baselines exist but are uneven. Several sites benefit from Ramsar Wetland Information Sheets, long-term PA monitoring, spatial datasets, or carbon estimates. While often incomplete, these datasets provide a credible starting point for MRV system development without requiring full greenfield data collection.	
Gaps & Weaknesses	• Market readiness is generally moderate and risks being supply-driven. Across most sites, ecosystem service dependencies are clear, but structured buyer mapping and detailed demand pathways remain underdeveloped. Without clearer buyer logic, credit supply will advance faster than credible demand. • Governance fragmentation constrains investability in several sites. Highly urbanized or contested suffer from overlapping mandates, weak coordination, or unresolved land-use conflicts (e.g., reclamation, industrial expansion). These conditions elevate permanence and reversal risks and reduce buyer confidence. • Additionality and permanence challenges vary by site typology. Large, well-funded protected areas face scrutiny over incremental impact, while smaller or degraded sites face higher ecological risk and weaker enforcement capacity. This creates a trade-off between credibility and additionality that must be explicitly managed in credit design. • Financing remains donor- and public-sector heavy. While co-financing from donors, NGOs, and protected area funds is common, private sector participation remains limited to mostly CSRs, and private investments remain uneven and mostly philanthropic. This constrains scalability unless market-oriented instruments and policy incentives mature. • Public access to biodiversity and nature-related data remains limited. Discussions with project developers (including NGOs and CSOs) highlighted the need for harmonized, government-led data systems. Although multiple information platforms exist, challenges persist around data harmonization and accessibility. Improved access to consolidated data would help address issues related to baseline development and MRV. Sites like Tubbataha benefit from extensive research and studies conducted by academic institutions and other organizations, whereas Panabo and other smaller sites continue to face significant data limitations. • Stakeholders underscored gaps in government regulation, limited derisking mechanisms, low offtaker interest, and high upfront costs for prefeasibility and feasibility assessments, Project Design Document development, and risk mitigation requirements. Stakeholders also noted that uncertainty in carbon policy and supporting processes contributes to slower market	• Nature credits risk limited uptake unless buyer engagement, MRV clarity, and governance reforms advance in parallel. • Sites with governance or data gaps may require policy-first or foundation-building approaches before credit issuance is feasible. • Publicly available government data will help establish stronger baselines and efficiently verify ecological outcomes.

Dimension	Key Findings	Implications for Portfolio
	development and affects the pace at which nature credits may mature. • A related concern raised by stakeholders is the prevailing chicken and egg dynamic in early project development. Project developers require committed offtakers to secure financing, while offtakers tend to participate only once certified projects are already available. This misalignment delays early-stage activity and constrains the growth of an emerging nature credit market.	
Priority Activities	• Match credit archetypes to ecological and social realities. Restoration-heavy credits are most viable in degraded but recoverable habitats (e.g., AUU fishponds in Zamboanga), while intact systems should emphasize management performance, biodiversity outcomes, and risk reduction rather than large incremental restoration claims. • Use early pilots as learning and signaling platforms. Flagship sites should validate MRV systems, governance arrangements, and benefit-sharing mechanisms, while smaller sites can test aggregation, simplified MRV, and community-first credit designs. • Establishing derisking mechanisms to reduce financial exposures to project developers can enable greater investor participation in nature credit projects and support earlier engagement in the market. • Identify early demand signals through targeted offtaker or buyer mapping to determine which actors are likely to generate demand for RFI sites and which may be positioned to offtake credits.	• Early successes are critical to build credibility, demonstrate integrity, and crowd in private capital. • Institutional and policy reforms must accompany pilots to ensure scalability and long-term market confidence. • Early demand mapping helps identify the actors which are most likely to offtake credits from RFI sites.

IX. Roadmap for Nature Credits

This section outlines a roadmap for advancing nature credit development in the Philippines, translating findings from the enabling environment assessment, site-level analysis, and stakeholder consultations into practical, sequenced actions. The roadmap is organized into three areas: (A) Enabling Environment, (B) Data, Capacity, and Technical Needs, and (C) Phased Piloting Plan. Together, these actions aim to support a credible, scalable, and investable nature credit ecosystem aligned with national biodiversity, climate, and development priorities.

A. Enabling Environment Recommendations

The Philippines has strong policy foundations for biodiversity and climate action, but regulatory ambiguity, fragmented mandates, and incomplete market infrastructure continue to constrain implementation. Advancing nature credits will require targeted policy development, clearer institutional leadership, and stronger alignment with private sector participation. Key priorities include:

- **Establish a clear legal and regulatory framework for nature credits**, including rules for credit issuance, ownership, benefit-sharing, verification, and claims. **Prioritize the UNDP BIOFIN policy study as the foundation for a Philippine nature credit framework.** This study, already underway, is the clearest near-term pathway toward a national framework for biodiversity or nature credits
- **Designate a lead coordinating authority and strengthen inter-agency coordination.** Clarifying roles across DENR, DA-BFAR, CCC, and financial regulators will help reduce fragmentation and improve accountability.
- **Develop national standards, MRV systems, and registry infrastructure that extend beyond carbon to biodiversity and ecosystem services**, ensuring transparency, interoperability, and alignment with international frameworks while minimizing risks of double counting.
- **Expand market incentives to include nature-based outcomes**, building on existing green finance mechanisms to explicitly support nature credits and blended finance models that can crowd in private investment.
- **Strengthen coherence across biodiversity, climate, and sustainable finance policies**, integrating nature credits into national strategies and aligning with global frameworks (e.g., TNFD, SBTN, KMGBF) to create clearer demand signals.
- **Operationalize social safeguards and benefit-sharing mechanisms**, ensuring consistent application of FPIC, tenure clarity, and equitable participation to strengthen legitimacy and reduce implementation risks.
- **Enable early pilots in parallel with policy development**, allowing private-sector-led and development partner-supported projects to test models, generate lessons, and inform future regulation.

B. Data, Capacity, and Technical Needs

High-integrity nature credits depend on robust baselines, credible MRV systems, and strong institutional capacity. At many RFI wetland sites, data remain fragmented, episodic, and difficult to access, constraining project development and verification. Addressing these gaps requires coordinated investments in both data systems and stakeholder capacity:

- **Develop standardized, interoperable baselines for biodiversity and ecosystem services across RFI sites**, supported by sustained, geospatial monitoring systems to reduce due diligence costs and enable credible outcome claims.

- **Improve accessibility of government data, including through open geospatial platforms,** and address fragmentation across agencies (e.g., DENR and DA-BFAR) and support comprehensive baseline development.
- **Mainstream SBTN alongside TNFD adoption among corporates and financial institutions** to translate policy ambition into measurable demand for nature outcomes.
- **Undertake deeper site-level assessments and stakeholder engagement** to validate biophysical conditions, refine project design, and ensure integrity in additionality, permanence, and safeguards.
- **Strengthen capacity across stakeholders, including LGUs, national agencies, NGOs/CSOs, and project developers.** Priority areas include data management, geospatial tools, MRV systems, safeguards (e.g., FPIC, benefit-sharing), and project bankability. Building local capacity is critical to sustaining implementation, reducing reliance on external expertise, and scaling nature credit projects.

C. Phased Piloting Plan

A phased, learning-by-doing approach is essential to test nature credit design, governance, and market response under real conditions. Early pilots should prioritize high-readiness sites while using others to test innovation and build pipelines:

- **Prioritize flagship pilots in Zamboanga Sibugay Wetlands and Tubbataha Reefs Natural Park,** leveraging their scale, ecological value, and relatively strong institutional and MRV foundations to build market confidence.
- **Align credit design with site conditions,** emphasizing restoration in degraded systems and protection/performance-based approaches in intact ecosystems.
- **Use pilots as learning platforms** to test MRV systems, governance models, benefit-sharing, and aggregation approaches, particularly in smaller or community-managed sites.
- **Establish de-risking mechanisms, including blended finance and project preparation support,** to address high upfront development costs and crowd in private investment, and leverage complementary financing mechanisms, such as PES and restoration-linked insurance, where full crediting is not yet viable.
- **Strengthen early demand signals through targeted buyer engagement and offtaker mapping,** with particular emphasis on identifying buyers whose value chains are highly dependent on ecosystem services provided by wetlands (e.g., water supply, fisheries, coastal protection). This will help ensure that demand is anchored in material business risks and dependencies, improving the credibility and sustainability of the market.
- **Explore local policy instruments that can create compliance-driven demand for nature credits.** This is particularly important in developing country contexts, where corporate participation is often more responsive to regulatory requirements and compliance obligations than purely voluntary mechanisms.
- **Link pilots with policy development,** allowing early projects to inform regulatory frameworks while avoiding delays from waiting for full policy maturity.
- **Align site portfolios with EAAFP objectives** to ensure landscape-level coherence, reduce leakage risks, and strengthen long-term ecological outcomes.

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X. Appendix

Appendix 1. Comparative Landscape of Carbon and Nature Credits

Aspect	Carbon Credit	Nature Credit
Conceptual Framing	Carbon as an Impact - Emissions need to be reduced or removed	Nature as an Asset - Delivers wide array of ecosystem services - treated as natural capitals
Risk Framing	Climate Risk (often in terms of Physical and Transition Risk from carbon-intensive activities)	Nature Risk (Water Scarcity, Species Extinction, Supply Chain Disruptions, etc.)
Environmental Concerns	Carbon Emissions - One of the drivers of climate change	Nature Loss - Often entails ecosystem degradation, biodiversity decline, loss of natural capital
Core Objective	Climate Change Mitigation through Emission Removal, Reduction, and Avoidance	Protection, Restoration and Stewardship of Natural Ecosystems and Biodiversity
Unit of Trade	1 metric ton of CO ₂ equivalent avoided or removed	Usually outcome or area-based (e.g. hectares conserved or protected, species preserved); No consistent unit that could be used in registries, pricing, or comparisons.
Metrics	Established Carbon Accounting Methodologies	Typically valued through ecosystem services, biodiversity metrics, or ecological outcomes/health
Existing International Treaties and Agreements	Paris Agreement Task Force on Climate-Related Financial Disclosures	Convention of Biological Diversity, Ramsar Convention, Convention on Migratory Species, Convention on International Trade in Endangered Species of Wild Fauna and Flora, etc.
Market Maturity and Governance	Mature markets with established standards (Compliance and Voluntary Markets)	Emerging market with evolving methodologies and standards (Largely voluntary but is currently being integrated into emerging frameworks (e.g. Task Force on Nature Financial Disclosures)
Demand Drivers	Compliance with regulations, voluntary offsetting, ESG Goals, Net Zero Commitments, Climate Strategies, and Energy Transition	Tied to Nature-positive and ESF Goals, Value Chain Resilience, Sustainable Land and Water Use
Buyers	Corporates, Financial Institutions, Governments	Corporates (ecosystem-dependent supply chains), ESG and Governments, and some NGOs
Supply Sources	REDD+, Renewable Energy, Methane and Carbon Capture, etc.	Ecosystem restoration and protection, and species conservation
Permanence	Long-term Carbon Storage	Long-term Ecosystem Health and Protection
Co-benefits	Nature and Social benefits including biodiversity	Carbon and Social benefits
Fungibility	Accepted as Fungible	Limited Fungibility

Aspect	Carbon Credit	Nature Credit
MRV Complexity	Developed MRV system; Highly standardized, technology-enabled monitoring	Multi-metric and Complex MRV systems (basket of metrics); Complex, multispectral ecological assessments, site-specific
Registries	Well-established registries (e.g., Verra's VCS, Gold Standard) that enable credit issuance, tracking, and transfer with standardized protocols	Emerging registries under development or pilot phases (e.g., New South Wales (NSW) Biodiversity Stewardship Credit Registers, ICVCM Nature Credits, Plan Vivo Registry, Accounting for Nature's pilot Nxt.Nature registry and other regional biodiversity registries); Lack of standardized units and protocols complicate integration and market transparency
Risk and Reversal Management	Buffer pools, insurance mechanisms standard	Buffer pools / reversal protocols to be introduced
Temporal Credit Window	Annual issuance with vintage year	Crediting tied to health improvements and protection duration; guidance on intervals needed
Challenges	Additionality, Permanence, Double Counting, Greenwashing Claims	Fungibility, Lack of Valuation Standards, Limited Market Scope (often locality-specific)

Appendix 2. Overview of Philippine RFI Sites

RFI Site	RFI Area (ha)	Conservation Status/ Funding Source	Management Stakeholders	Key Ecosystem Services ⁷⁶	Primary Economic Activities	Key Drivers of Change to Wetland ⁷⁷	Potential Co-financing
1. Agusan Marsh Wildlife Sanctuary	40,870	NIPAS Protected Area (with National Funding), Ramsar Site	Protected Area Management Board (PAMB), Indigenous People (Manobo Tribe)	Provisioning: Food and Water Regulating: Flood hazard mitigation, water purification, and waste treatment	Agriculture and Fisheries	Agricultural and forestry effluents high threats High Impact Activities: agriculture, desertification, drought, erosion, siltation, IAS, habitat clearing and shifting or alteration, logging and timber harvesting, pollution	Loan; Private Sector (Carbon Credits); Grant
2. Candaba Wetlands	9,987	With Project Fundings through NGOs (e.g. Society for the Conservation of Philippine Wetlands)	DENR PENRO Pampanga, Concerned LGUs, Private Landowners	Provisioning: Food and Water Regulating: Flood hazard regulation Cultural: Recreation, Ecotourism, Education	Agriculture	High Impact Activities: Commercial and Industrial areas, Harvesting of aquatic resources, housing and settlement, hunting, killing, and collecting of wildlife, aquaculture	Loan; PPP (PES Scheme could generate additional source of funding for wetland protection); With funding under GEF 8 RFI Project
3. Lake Mainit	13,996	Ramsar Site and Flyway Site	Lake Mainit Development Alliance (LMDA), Concerned DENR PENROs and LGUs, IP (Mamanwa Tribe)	Provisioning: Food and Water Regulating: Flood hazard regulation Cultural: Recreation, Ecotourism, Education	Fisheries, Agriculture	High Impact Activities: Hydroelectric power plant, Unsustainable use and management of freshwater resources, Waste Management, Agro-chemical Pollution	Loan; Grant; With funding under GEF 8 RFI Project
4. North Manila Bay Bataan (Balanga Wetlands)	35	National Law declaring as Community-based Ecotourism Zone (with National Funding)	Concerned Local Government Units, and Manila Bay Mandamus Agencies ⁷⁸ For Balanga Wetlands: City of Balanga LGU, DENR PENRO Bataan	Regulating: Storm and Flood Hazard Regulation, Erosion Regulation Cultural: Recreation, Tourism, Knowledge Systems, Education	Fisheries (mostly small scale)	Medium Impact Activities: Household sewage, increased fragmentation, invasive plant species	Loan; Grant
5. Bangrin Marine Protected Area	82	Locally Managed Marine Protected Area	Nagkakaisang Samahan ng San Miguel Association (NAGKASAMA), Aporao Fisherfolks Association (AFA) and	Provisioning: Food and Genetic Resources Regulating: Local Climate Regulation, Flood hazard regulation	Fisheries	High Impact Activities: Dams within upstream, habitat shifting and alteration, sewage and urban waste (pollution), recreation and tourism, shipping lanes and canals.	Loan

⁷⁷ Selected High to Medium Impact Activities causing or may cause Changes to the RFI Site/Wetland (from RFI Site Draft Concept Report)

⁷⁸ Manila Bay Mandamus Offices: DENR, DILG, DepEd, DOH, DA, DOWH, DBM, PCG, PNP-MG, PPA, MMDA, MWSS, LWUA

RFI Site	RFI Area (ha)	Conservation Status/ Funding Source	Management Stakeholders	Key Ecosystem Services ⁷⁶	Primary Economic Activities	Key Drivers of Change to Wetland ⁷⁷	Potential Co-financing
			the Municipal Government of Bani	Cultural: Recreation, Ecotourism, Knowledge/Education			
6. Zamboanga Sibugay Wetlands (Kabasalan Siay Wetland Area)	175,684	Ramsar Site and Flyway Site	DENR PENRO Sibugay, BFAR, and concerned LGUs	Provisioning: Food and Wood products Regulating: Local climate regulation, storm hazard regulation, pollination	Fisheries	High Impact Activities: Marine and freshwater aquaculture	Loan; PPP (Nature Credits, if successful, could generate additional funding for wetland protection); With funding under GEF 8 RFI Project
7. Negros Occidental Coastal Wetlands Conservation Area	89,607.81	Ramsar Site, Flyway Site	Negros Occidental Coastal Wetland Area Management Alliance (NOCWAMA) Concerned LGUs, DENR PENRO, Bureau of Fisheries and Aquatic Resources (BFAR)	Provisioning: Food Regulating: Air Quality Regulation, Flood and Storm Hazard Regulation Cultural: Recreation and Tourism	Fisheries (Fishing and Aquaculture)	High Impact Activities: Fishing, killing and harvesting of aquatic resources	Grant; Private Sector; PPP
8. North Manila Bay Pampanga (including Sasmuan Pampanga Coastal Wetlands)	3,664	Ramsar Site and Critical Habitat (with national funding)	Concerned Local Government Units, and Manila Bay Mandamus Agencies For Sasmuan: DENR PENRO Pampanga, Sasmuan Municipal Government,	Provisioning: Food Regulating: Flood and Storm Hazard Regulation Cultural: Recreation and Tourism	Fisheries (Fishing and Aquaculture)	High Impact Activities: Commercial and Industrial, Fishing, Killing, and Harvesting, Marine and Freshwater Aquaculture, Recreation and Tourism,	Grant; PPP
9. North Manila Bay (Bulacan)	100,636	Key Biodiversity Area	Concerned LGUs, and Manila Bay Mandamus Agencies	Provisioning: Food and Freshwater Regulating: Flood Hazard Regulation Cultural: Cultural Identity and Heritage, Sense of Place	Fisheries (Fishing and Aquaculture)	High Impact Activities: Agri and Forestry Effluents, Dams, Erosion, Hunting/Killing, Garbage/Solid Waste, Habitat Clearing, Sewage, Increased fragmentation of wetland site, loss of hydrological connectivity	Loan; Grant; PPP
10. Olango Island Wildlife Sanctuary	1,383	NIPAS Protected Area (with National Funding)	PAMB	Provisioning: Food Regulating: Flood Hazard Regulation,	Fisheries and Agriculture	Garbage and Solid Waste, Housing and Settlement, Recreational Activities and Tourism, Recreational Activities	Loan; Grant; PPP

RFI Site	RFI Area (ha)	Conservation Status/ Funding Source	Management Stakeholders	Key Ecosystem Services ⁷⁶	Primary Economic Activities	Key Drivers of Change to Wetland ⁷⁷	Potential Co-financing
				Water Purification and Waste Treatment Cultural: Recreation and Tourism		and Tourism, Recreation Infrastructure	
11. Panabo Coast	1,879	N/A	LGU and DENR PENRO Davao del Norte	Provisioning: Food Regulating: Flood Hazard Regulation Cultural: Recreation and Tourism, Aesthetic Experience, Cognitive Development and Health and Well-being	Fisheries and tourism	High Impact Activities: Commercial and Industrial, Fishing/Killing, Introduced genetic materials, aquaculture, ports, shipping lanes and canals, tourism	Loan; Grant
12. Tubbataha Reefs Natural Park	450,651	NIPAS Protected Area (with National Funding), UNESCO World Heritage Site, Ramsar Site, Flyway Site	PAMB	Provisioning: Fisheries Cultural: Heritage and Cultural Identity, Tourism, Aesthetic experience, Education	Tourism and fisheries	(Relatively low threat) High Impact Activities: Research, education, and work-related activities Medium: temperature extremes	Grant; With ongoing Nature Credit efforts with Conservation International;

Appendix 3. Philippine Carbon Markets Context

Emissions Reductions and Removals Alongside Defined Co-Benefits

Carbon credits are market-based, tradable instruments representing the avoidance or removal of one metric ton of CO₂ or a carbon dioxide-equivalent (CO₂e) of other greenhouse gases from the atmosphere. They enable governments, private entities, and individuals to offset their emissions by financing project activities across the world, including renewable energy (RE), methane capture, and reforestation. A foundational principle of the carbon market is the fungibility of emissions offsets. Though the resultant reductions and removals are generated by varying decarbonization mechanisms, the emissions outcomes (measured as a net decrease in CO₂e over a given timeframe relative to an established baseline scenario) may be standardized and treated with direct equivalence across vastly disparate project types. The veracity and efficacy of the claimed emissions reductions and removals is dependent on integrity throughout the entire project lifecycle (including, but not limited to: additionality assessment, establishing an emissions baseline scenario, measurement, permanence, reporting, and independent verification); a detailed discussion of these aspects, however, is not within the scope of this report.

Early issuances of carbon credits by Philippine-based projects originated as recently as 2018, based on publicly accessible data available on select registries. It is worth noting that only Verra, the world's largest carbon certification program by volume of traded credits in 2024⁷⁹, and Gold Standard, which is among the largest and most well-known certification programs, are the only registries known to have listed carbon projects based in the Philippines that have issued and retired emissions units. Between both programs, all retirement data originates from just three projects, two renewable energy projects and a sole AFOLU project. The AFOLU project, Mindanao Tree Planting Program for our Climate and Communities (MinTrees), is of the ARR subtype and to date, has had just shy of 10,000 credits retired from vintages ranging between 2015 until 2020. Figure 11 below reflects the value of retired carbon credits of Philippine origin based on public Verra VCS Registry and Gold Standard Impact Registry data, and may not account for off-taker agreements (or other such arrangements) that have been established or are in the process of being negotiated.

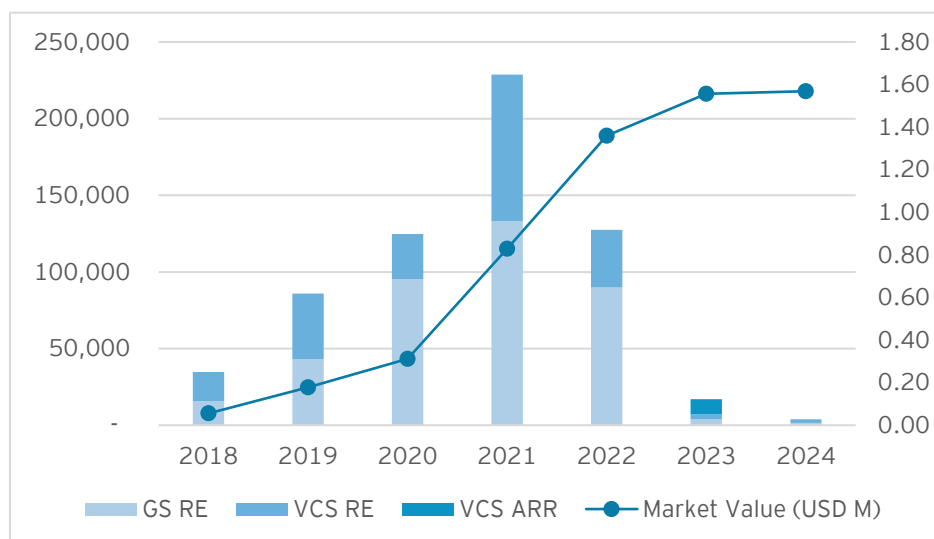


Figure 11. Carbon credit retirement volumes for Philippine-based projects and estimated market value based on retired volumes^{80,81,82,83,84,85,86}

During the observed period, the average price of renewable energy carbon credits fluctuated between US\$1.08 and US\$4.16 at its peak average value in 2022. ARR credits, however, traded for

⁷⁹ Ecosystem Marketplace. (2025). State of the Voluntary Carbon Market 2025: Meeting the Moment - Renewing Trust in Carbon Finance. Retrieved from <https://www.ecosystemmarketplace.com/publications/2025-state-of-the-voluntary-carbon-market-sovcvm/>

US\$17.15 in 2023, which was succeeded by an average market value of US\$20.44 in 2024. In 2023, the first year that Philippine ARR credits were retired on the VCM, Philippine ARR credit retirement volumes were just 36% higher than Philippine RE credit retirement volumes yet were valued at nearly six times more than the RE credits. The recent uptick in AFOLU project development activities in the Philippines, as signaled by projects under development in Verra VCS, may be indicative of a heightened domestic interest in nature-based solutions and nature financing more broadly.

Verra outlines considerations and requirements pertaining to agriculture, forestry, and other land use (AFOLU) projects in version 4.7 of the VCS Standard⁸⁰. Six AFOLU categories are eligible for credit issuance within the VCS Program, including wetland restoration and conservation (WRC) activities. Eligible WRC activities increase GHG removals through wetland ecosystem restoration or reduce GHG emissions through rewetting or avoiding the degradation of wetlands. Such project activities must adhere to an internationally-accepted definition (e.g., IPCC, Ramsar Convention on Wetlands, those enforced by national regulations) of a wetland or conform to parameters established by peer-reviewed scientific literature for the specific country/region or wetland type subsumed by the project. Wetlands within the scope of WRC include peatland, salt marsh, tidal freshwater marsh, mangroves, wet floodplain forests, prairie potholes, and seagrass meadows⁸¹. Verra further segments eligible WRC project activities into two categories:

1. Restoring Wetland Ecosystems (RWE): Intended for degraded wetlands, RWE covers projects that reduce GHG emissions or increase carbon removal/sequestration via restoration activities. These may include the enhancement or management of natural functions such as hydrological conditions, sediment supply, salinity characteristics, water quality, and native flora populations. Verra defines restoration activities as those that reestablish ecological functions and biotic and/or abiotic linkages that lead to resilient embedded nature systems.
2. Conservation of Intact Wetlands (CIW): Intended for wetlands that are intact are partially altered while retaining their natural functions, CIW covers projects that reduce GHG emissions through the avoidance of degradation and/or conversion of wetlands. Within the WRC framework of Verra, wetland degradation may be classified as planned or unplanned.

Wetland ecosystems such as seagrass meadows, tidal salt marshes, and mangroves are globally critical carbon sinks that are capable of sequestering and storing more carbon in a given area than land-based forests⁸². Such biomes also fulfill crucial roles in human societies, including the provision of coastal buffers during typhoons, water quality regulation, and a means of livelihood and sustenance for local communities. At present, Verra maintains two methodologies applicable to such ecosystems: a conservation and restoration methodology in the form of VM0007: REDD+ Methodology Framework (REDD+MF), and VM0033: Methodology for Tidal Wetland and Seagrass Restoration, which applies to restoration-only activities.

RWE activities under VM0007 can occur on land that was previously drained or degraded, and may involve restoring hydrology, the reintroduction of native vegetation, or improved management practices⁸³. CIW activities under the same methodology are applicable to activities that avoid both planned and unplanned degradation of intact or partially altered wetlands, including tidal wetlands. For all WRC projects, however, estimates of the project must demonstrate that a significant difference in soil organic carbon (SOC) stock between the project and baseline scenarios will exist

⁸⁰ Verra. (2024). VCS Standard v4.7. Retrieved from <https://verra.org/wp-content/uploads/2024/04/VCS-Standard-v4.7-FINAL-4.15.24.pdf>

⁸¹ Verra. (2024). VCS Standard v4.7. Retrieved from <https://verra.org/wp-content/uploads/2024/04/VCS-Standard-v4.7-FINAL-4.15.24.pdf>

⁸² Verra. (n.d.). Area of Focus - Blue Carbon. <https://verra.org/programs/verified-carbon-standard/area-of-focus-blue-carbon/>

⁸³ Verra. (2024). VM0007 - REDD+ Methodology Framework .https://verra.org/wp-content/uploads/2024/06/VM0007-REDD-Methodology-Framework-v1.8_CLEAN.pdf

after 100 years. The methodology does not explicitly exclude projects located in protected areas, as eligibility is dependent on the credibility of the threat of degradation and other related variables. The clear inclusion of relevant ecosystems, framework modularity and adaptability to varying contexts, and the breadth of the scope for covered conservation activities within VM0007 engenders favorable conditions for its adoption in future wetland conservation and restoration activities in the Philippines, especially those wherein the principal objective is carbon reduction and/or removal.

VM0033 contextualizes ARR activities within the Verra RWE scope of activities. Projects developed under this methodology may involve the creation, restoration, or management of hydrological conditions, altering sediment supply, changing salinity characteristics, improving water quality (e.g., through the introduction of nutrient loads to enable seagrass meadow expansion), reintroducing native plant communities via reseeding or planting, and improved management practices (e.g., the removal of invasive species)⁸⁴. Similar to VM0007, there is no explicit exclusion of projects located within protected areas. Eligibility is determined by project activities and the pre-project factors (e.g., prevailing project area conditions prior to project implementation, regulatory considerations that impact additionality, etc.). As a result of its scope of eligible ecosystems, inclusion of domestically-favored restoration strategies, and joint RWE-ARR framework (which enables projects to account for the benefits of both revitalizing wetland functions and increasing biomass through revegetation), VM0033 may be well-suited for wetland restoration projects in the Philippine setting. It should be noted that although emissions reductions credits can be claimed by conserving soil organic carbon stock and preventing coastal erosion, credits arising from avoided degradation cannot be claimed under VM0033.

In August of 2024, Gold Standard released its Sustainable Management of Mangroves Methodology alongside new Blue Carbon and Freshwater Wetland Activity Requirements. The Activity Requirements allow only removal credits to be claimed as a result of a permanent increase in onsite carbon stocks in biomass or soil, while excluding carbon reductions from avoided degradation similar to VM0033. The document creates a pathway for a greater variety of future coastal and freshwater ecosystems to gain eligibility under the Gold Standard program, depending on the development of new methodologies in conformance with these Activity Requirements⁸⁵. Covering the restoration of degraded mangroves and the establishment of new mangrove areas, the Mangroves Methodology aims to result in greater carbon sequestration outcomes, biodiversity preservation, and community-centric benefits. Project areas are eligible under the methodology provided they are historically mangrove but are presently degraded, while stable or naturally regenerating mangroves are ineligible⁸⁶. In the Philippine context where mangroves are abundant, the methodology may be appropriate for use because of its relevance (as mangrove ecosystems are a national conservation priority) and practical flexibility in emissions removals quantification methods (e.g., remote sensing, onsite measurements, etc.).

Though it appears that these emerging methodologies, backed by reputable standard-setting organizations in the carbon market, have focused interventions covering the spectrum of ecosystem services and benefits that may be derived from wetland ecosystem conservation and restoration, nature credits present potential advantages in certain aspects. Carbon certification programs typically separate conservation (REDD) and restoration (ARR) activities for a variety of reasons, even if both climate change mitigation claims are the result of similar activities on the surface. REDD and ARR frameworks were designed to measure climate actions differentiated by the fundamental

⁸⁴ Verra. (2023). *VM0033 - Methodology for Tidal Wetland and Seagrass Restoration*. <https://verra.org/wp-content/uploads/2023/09/VM0033-Methodology-for-Tidal-Wetland-and-Seagrass-Restoration-v2.1.pdf>

⁸⁵ Gold Standard. (2024). *Activity Requirement - Blue Carbon and Freshwater Wetlands*. https://globalgoals.goldstandard.org/standards/204_V1.0_AR_BCFW_Blue-Carbon-and-Freshwater-Wetlands-Activity-Requirements.pdf

⁸⁶ Gold Standard. (2024). *Methodology - Sustainable Management of Mangroves*. <https://globalgoals.goldstandard.org/443-bcfw-methodology-sustainable-management-of-mangroves/>

mechanisms of carbon reduction and carbon removal, with each necessitating a distinct accounting approach. As REDD activities benchmark emissions avoidances against a baseline value defined by a counterfactual rate of loss, and ARR measures a gain in carbon that was quantifiably sequestered by biomass over time, carbon standards have precluded the complexity of accurately accounting for both outcomes by seldom allowing both activity types to be undertaken within the same project instance. The concentration and on precise carbon accounting and subsequent focus on narrower scopes of project activities by project proponents may have inadvertently undermined the ability of project sites to realize the maximum extent of their climate change mitigation and benefit generation potential. Without discarding the value of carbon reduction and sequestration nor making it the central focus (perhaps to the detriment of pursuing other benefits), nature credits have the potential to develop more holistic ecosystem values within their project sites. For instance, nature credit projects may possess the flexibility to take place on both degraded and stable sites; the latter being a limitation within the current paradigm of carbon certification standards.

Of particular interest to the concept of nature credits are the co-benefits declared by carbon project proponents and (if approved by the pertinent carbon certification program) associated with issued emissions units via labels disclosed in a public registry. Co-benefits are additional positive environmental and/or socio-economic outcomes delivered by carbon projects and are typically developed and claimed with the UN SDGs framework. Verra mandates the disclosure and tracking of at least three SDG-based sustainable development contributions by the project activity for every monitoring period (the specific time span during which a project's GHG emissions reductions or removals are measured, tracked, and reported for verification). As an alternative pathway for project proponents to demonstrate positive sustainable development outcomes, Verra maintains two proprietary programs for claiming co-benefits: Climate, Community, & Biodiversity (CCB) Standards, which is intended to certify robust and additional benefits across each of its three titular aspects and applies specifically to land use projects, and the Sustainable Development Verified Impact Standard (SD VISTa), which may be applied to a broader range of projects and primarily aims to certify contributions to the UN SDGs.

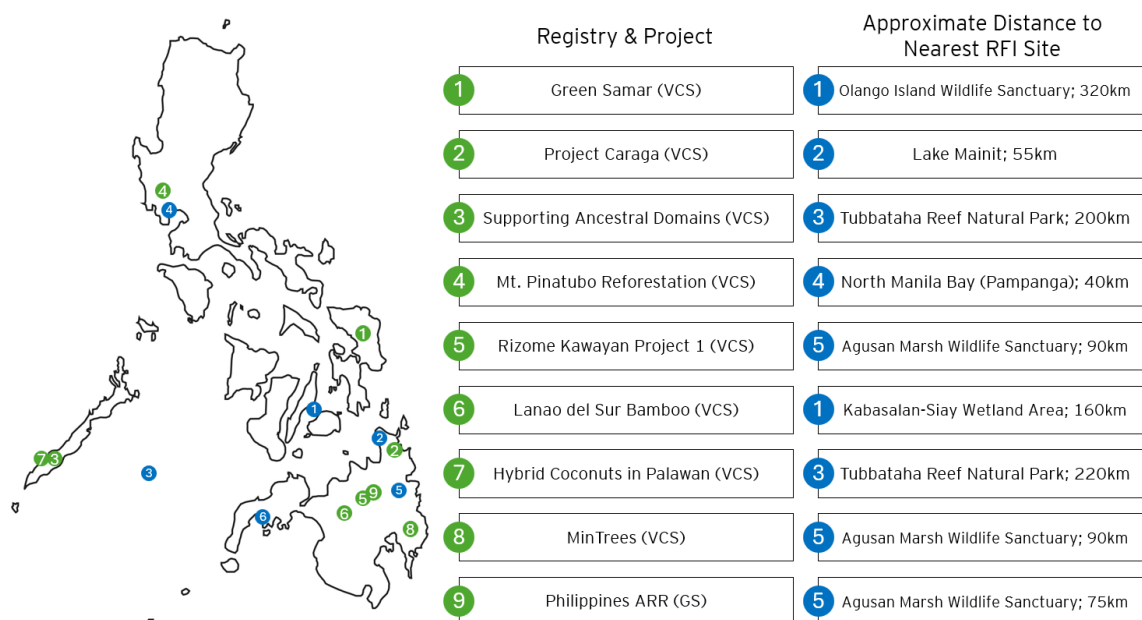


Figure 12. Locations Of Carbon Credit Project Activities in The Philippines and their Estimated Proximity to the Nearest RFI Site.

Figure 12 above illustrates the estimated proximities of existing and planned Philippines-based AFOLU carbon projects to their geographically closest RFI site among the twelve in the country.

Though no overlaps exist between the present carbon project pipeline and the planned RFI sites, the emergence of wetland-specific methodologies from prominent standard-setting organizations in the VCM underscores the need for any forthcoming nature crediting scheme to prevent potential conflicts in claiming ecological uplift in the event of site-sharing with a carbon project. Key ramifications concern the principles of additionality and double claiming, particularly when both project types certify comparable non-carbon benefits, such as specific biodiversity contributions or SDG impacts. If a carbon project already quantifies and claims a biodiversity co-benefit for its own certification, the issuance of a separate, tradable unit for the same biodiversity outcome by a nature crediting project in the same area would constitute double claiming, undermining the integrity of both assets. It may also be the case that the financial viability provided by the sale of carbon credits could render the biodiversity outcomes non-additional for the nature crediting program, as the nature-positive outcomes would have occurred anyway as a direct result of the carbon-financed activity. These potential conflicts necessitate robust accounting frameworks to clearly differentiate between stacked and bundled claims to ensure each certified benefit is distinct, additional, and not monetized by multiple independent schemes.

Lastly, a nature crediting program seeking to conduct project activities in Philippine RFI sites can derive pragmatic information on land tenure and the processes for project proponents to obtain rights to products (credits claiming defined outcomes) generated by the project by understanding the approaches to such issues adopted by domestic AFOLU carbon projects. Table 11 below elaborates how carbon projects in the Philippines, including those within protected areas, leverage a variety of legal and contractual instruments to secure land tenure and the rights to environmental claims. For activities within national parks governed by the NIPAS Act, proponents typically obtain a Special Use Agreement in Protected Areas (SAPA) from the DENR, which formally authorizes project execution and the right to transact resulting emissions units. In regions overlapping with ancestral domains, project implementation is underpinned by the Indigenous Peoples Rights Act (IPRA), requiring proponents to secure Free, Prior, and Informed Consent (FPIC) and establish Memorandums of Agreement (MOAs) with the Indigenous communities. These MOAs typically stipulate the absolute land ownership rights of the Indigenous Peoples while granting the rights to the GHG emissions reduction and removal outcomes to the project developer. For projects involving other communal or private lands, tenure and carbon rights are secured through legally-binding partnership agreements, long-term leases, or Deeds of Assignment, which formally delineate the roles and responsibilities of the parties and vest ownership of the carbon credits in the project proponent.

Table 11. Voluntary Carbon Market Projects in the Philippines

Project Information	Non-Carbon and Carbon-Adjacent Benefits Claimed by the Project	Land Tenure and Ownership Structure
Registry: Verra VCS Project ID and Title: 5556 - Green Samar AFOLU Subtype: ARR Methodology: VM0047 Status: Under development Estimated Annual Volume: 312,464 Land Area (ha): 30,000 Location: Samar, Eastern Visayas Project Proponent and Partners: aDrayda (Proponent) Crediting Period: Planned (June 2026) Ecosystem Type: Degraded forest, grasslands for reforestation Carbon Credit Issuances: N/A	SDG 1, 8, 13, 15 - SDG 1, 8: Reduced poverty and increased economic growth via the creation of employment opportunities -SDG 13: Carbon sequestration through restoration of forests; local training and awareness sessions on disaster preparedness and climate resilience - SDG 15: Biodiversity conservation through wildlife protection; climate resilience through reduced soil erosion and improved local hydrology	Samar Island National Park (SINP) is governed by NIPAS and E-NIPAS and stands within DENR jurisdiction. SINP management and the Provincial Environment and Natural Resources Office (PENRO) have established tenurial instruments that regulate land rights and usage within SINP. The project proponent will demonstrate its right to control and operate project activities through obtaining a Special Use Agreement in Protected Areas (SAPA), which shall define the rights to project execution. The SAPA shall authorize the proponent to undertake reforestation activities and to generate and transact emissions units resulting from project activities.
Registry: Verra VCS Project ID and Title: 5510 - Project Caraga AFOLU Subtype: REDD Methodology: VM0048 Status: Under development Estimated Annual Volume: 2,400,000 Land Area (ha): 273,832 Location: Region XIII (Caraga) Project Proponent and Partners: EcoCarbon Capital Pte. Ltd. (Proponent) Crediting Period: 1st, 03/03/2025 - 02/03/2050 Ecosystem Type: Mindanao rainforests, montane rainforests Carbon Credit Issuances: N/A	SDG 1, 2, 3, 4, 5, 8, 9, 13, 15, 17 - SDG 1,8: Developing local skills and community enterprises to enhance sustainable livelihoods - SDG 15: Combat illicit wildlife trafficking via targeted forest patrols; utilizing satellite technology to reduce timber poaching and wildlife poaching - Additional SDG-related benefits: agricultural productivity and food security, access to traditional knowledge for IP youth via capacity-building programs	SG-based EcoCarbon Capital Pte Ltd is the project proponent and primary investor in EcoCaraga Pte Ltd. (project developer); Caraga Carbon Development Inc (CCDI) is the PH-based project implementer, owned by EcoCaraga Pte Ltd. CCDI has undertaken a FPIC process with the IPs and established MOAs with these communities, supported by the Philippine National Commission on Indigenous Peoples (NCIP). The MOAs stipulate the absolute land ownership rights of the IPs and grant rights to GHG emissions reductions/removal outcomes to CCDI on behalf of Project Caraga.
Registry: Verra VCS Project ID and Title: 5170 - Supporting Ancestral Domains: Carbon Finance for Climate Action and Sustainable Development in the Mount Mantalingahan Protected Landscape AFOLU Subtype: ARR, REDD Methodology: VM0048 Status: Under development Estimated Annual Volume: 316,691 Land Area (ha): 149,109 Location: Southern Palawan	SDG 1,2,5,8,13,15 - SDG 1, 8: Providing alternative income sources to local communities (e.g., eco-tourism, sustainable agriculture, non-timber forest products) - SDG 13: Through forest conservation, management, and restoration, degraded forest areas are uplifted to preserve biodiversity and carbon stocks - SDG 15: By protecting and restoring terrestrial ecosystems, biodiverse hotspots and critical habitats are conserved. The project will contribute to the enhancement and maintenance of ecosystem services essential for local biodiversity. A	Ownership and preferential rights for use and development of Ancestral Domains (AD) by the IPs is governed and protected by the Indigenous Peoples Rights Act (IPRA). CIPF will be authorized by each AD to execute project activities through multiple MOAs. These ensure the authority of CIPF to carry out project activities within each respective AD. CIPF has obtained the authorization by the ADs to represent and list the project under the VCS program, as formalized by the Listing Representation Deed.

Project Information	Non-Carbon and Carbon-Adjacent Benefits Claimed by the Project	Land Tenure and Ownership Structure
Project Proponent and Partners: Panalingaan-Latud-Taburi Ancestral Domain (Proponent); Conservation International Philippines Foundation, Inc. (CIPF) (Implementation Partner) Crediting Period: 1st, 01/01/2022 - 31/12/2061 Ecosystem Type: Terrestrial forest, mangroves, watersheds Carbon Credit Issuances: N/A	comprehensive biodiversity monitoring system to track the health of ecosystems and presence of key species will be established Alignment with Philippine Development Plan (PDP) and National Climate Change Action Plan (NCCAP): Sustainable Resource Management and Biodiversity Conservation, Climate Change Mitigation, Community Resilience and Capacity Building	
Registry: Verra VCS Project ID and Title: 5151 - Reforestation Carbon Project in the Pinatubo Mountain Region AFOLU Subtype: ARR Methodology: VM0047 Status: Under development Estimated Annual Volume: 679,408 Land Area (ha): 10,000 Location: Zambales, Pampanga, Bataan Project Proponent and Partners: Green Carbon Inc. (Proponent) Crediting Period: 1st, 01/04/2025 - 31/03/2085 Ecosystem Type: Forest biomes of varying altitudes Carbon Credit Issuances: N/A	SDG 1, 5, 8, 10, 13, 15 - SDG 1, 8: Employment and income are provided in areas with limited opportunities, enabling communities to integrate into systems like banking, social security, and healthcare. - SDG 13: Large-scale restoration activities sequester significant volumes of carbon and enhance community resilience to climate hazards by providing adaptive benefits (precipitation regulation, reduced landslides, etc.). - SDG 15: The regeneration of the project area can optimize and sustain crucial ecosystem functions and revitalize local biodiversity, soil, and water quality.	The project proponent has established legally-binding project partnership agreements. The proponent obtains rights to carbon within the project area by entering into cooperation agreements with landowners, who are the implementers of the project. Through contracts with the same landowners, the landowners agree to undertake the planting activities on their lands and ensure compliance with other relevant technical regulations (e.g., those enforced by Philippine state agencies and authorities) for afforestation and reforestation within the project scope. The project entity executes legal due diligence procedures to ensure that all planting activities are legally owned or held under nationally recognized land use rights, and that all planting activities are covered by certificates and registered with relevant authorities.
Registry: Verra VCS Project ID and Title: 4788 - Rizome Kawayan Project 1 AFOLU Subtype: ARR Methodology: VM0047 Status: Registration requested Estimated Annual Volume: 26,459 Land Area (ha): 971 Location: Bukidnon, Misamis Oriental, North Cotabato Project Proponent and Partners: Climate Impact Partners Limited, Bamboo Ecologic Corporation dba RIZOME (Proponents); BUKTAMACO, Kilambay Plantation Corporation (Implementation Partners) Crediting Period: 1st, 01/03/2022 - 28/02/2042 Ecosystem Type: Tropical and subtropical moist broadleaf forests, montane rainforests	SDG 1, 5, 8, 13, 15 - SDG 1, 8: The project generates rural job opportunities for marginalized groups and contributes to local, national, and international markets for sustainable bamboo production. - SDG 13: Project activities sequester carbon and are enhanced further by promoting climate awareness, supporting climate adaptation through year-round bamboo-based livelihoods, and strengthening food security. - SDG 15: The forestry impact of the project meets the goal of increasing vegetative area and restoring degraded land.	The proponents use legally customized MoAs designed for four distinct land tenure classes: (1) Certificate of Ancestral Domain Title (CADTs); (2) Certificate of Ancestral Domain Claim (CADC); (3) Community-based Forest Management Associations (CBFMAs); (4) Private land. Most involve IPs with communal land holdings. These MoAs are valid for a renewable 25-year term under the IPRA, and grant control over protect activities in alignment with VCS Standard rules. Extensive collaboration was undertaken with the NCIP to ensure full compliance of all established agreements.

Project Information	Non-Carbon and Carbon-Adjacent Benefits Claimed by the Project	Land Tenure and Ownership Structure
Carbon Credit Issuances: N/A		
Registry: Verra VCS Project ID and Title: 2958 - Lanao del Sur Bamboo Reforestation Project AFOLU Subtype: ARR Methodology: AR-ACM0003 Status: Registered Estimated Annual Volume: 315,067 Land Area (ha): 8,421 Location: Lanao del Sur Project Proponent and Partners: EcoPlanet Bamboo Group, LLC (Proponent) Crediting Period: 1st, 01/06/2022 - 31/05/2042 Ecosystem Type: Montane and upper montane rainforests Carbon Credit Issuances: N/A	SDGs 1, 6, 8, 13, 15 - SDG 1, 8: The project endeavors to create inclusive livelihood opportunities for the surrounding communities, and income-generating activities beyond traditional subsistence methods. - SDG 6: As a more indirect contribution, the bamboo-based restoration activities undertaken by the project helps to safeguard water resources and improve watershed health. - SDG 13: Community resilience is enhanced by reducing reliance on unsustainable practices and promoting sustainable land use. - SDG 15: Restores and protects the natural environment; engages and trains communities to become environmental stewards.	The proponent, through its wholly owned subsidiary and implementation partner EcoPlanet Bamboo Philippines LLC, holds the contractual right to the land (via long-term lease and development contract) within the project boundary, the bamboo to be planted, and the resultant GHG emissions removals. EcoPlanet Bamboo holds the legal right to control and operate program activities, as well as the right to any and all GHG emissions removals generated by the project during the crediting period.
Registry: Verra VCS Project ID and Title: 2534 - Planting Hybrid Coconuts in Palawan AFOLU Subtype: ARR Methodology: VM0047 Status: Under validation Estimated Annual Volume: 210,000 Land Area (ha): 3,500 Location: Southern Palawan Project Proponent and Partners: Lionheart Agrotech Limited (Proponent) Crediting Period: 1st, 01/09/2019 - 31/08/2059 Ecosystem Type: Idle communal land, compromised shrublands and grasslands Carbon Credit Issuances: N/A	SDGs 1, 2, 8, 13, 15 - SDG 1, 2, 8: The project activities provide materially enhanced calorific production compared to traditional farming methods. The project has already increased direct and indirect employment opportunities. - SDG 15: The project contributes directly to the fulfillment of the National Greening Program (NGP), where the sustainable planting and farming of coconut palms is explicitly specified as a key crop that augments food security, environmental stability, and biodiversity conservation while reducing poverty.	Lionheart Farms (Philippines) Corporation, a wholly owned subsidiary of Lionheart Agrotech Limited, entered into a Joint Venture Agreement (JVA) with the DENR for the establishment of an upland agroforestry farm comprising 3,500 hectares of forest land. The JVA is valid for a period of 25 years, renewable for another 25 years. Under the JVA, the proponent enjoys rights to benefit from the use and advantages of non-owned property.
Registry: Verra VCS Project ID and Title: 2412 - Mindanao Tree Planting Program for our Climate and Communities (MinTrees) AFOLU Subtype: ARR Methodology: AR-ACM0003 Status: Verification approval requested Estimated Annual Volume: 33,015	Verra CCB Program certification. - CCB Climate: GHG removals through ARR agroforestry activities, crop diversification and microclimate improvement - CCB Community: Increased and diversified livelihoods for over 50,000 households and the creation of at least 500 full-time equivalent jobs. Extensive training in agroforestry and sustainable agriculture to over 50,000	The proponent has agreements with all landowners and managers to hold the rights to the GHG emissions reductions or removals, vesting project ownership in the proponent. For the ARR project activity, each participating farmer and community signed either a Crop Production and Purchase Agreement (CPPA), in case of broader collaboration on agricultural crop marketing, or a stand-alone Deed of

Project Information	Non-Carbon and Carbon-Adjacent Benefits Claimed by the Project	Land Tenure and Ownership Structure
Land Area (ha): 30,000 Location: Various Provinces in Mindanao Project Proponent and Partners: Kennemer Eco Solutions Pte Ltd., Kennemer Foods International Inc. (Proponents); BaiAni Foundation (Implementation Partner) Crediting Period: 1st, 15/03/2015 - 14/03/2065 Ecosystem Type: Degraded forests, smallholder family farms (monoculture croplands) Carbon Credit Issuances: 12,685 VCUs issued across 2015 to 2020 vintages; 9,953 VCUs retired	community members, including over 25,000 women. Poverty alleviation is promoted through collaboration with local smallholder farms. - Biodiversity: Increase in vegetation cover by over 50,000 hectares across degraded and low-income agricultural lands. Conservation of over 11,000 hectares to enhance biodiversity conservation, which is expected to benefit at least four endangered or critically endangered species.	Assignment in case of individual participation in the ARR activity without crop marketing. These formal agreements delineate the project parties' roles, responsibilities, and benefits and were voluntarily entered into by all parties involved.
Registry: Gold Standard Project ID and Title: 23220 - Philippines ARR AFOLU Subtype: ARR Methodology: Methodology for Afforestation/Reforestation (A/R) GHGs Emission Reduction & Sequestration, v2.1 Status: Listed (VCS equivalent "Registered") Estimated Annual Volume: 225,557 Land Area (ha): 27,728 Location: Bukidnon Project Proponent and Partners: EcoSecurities Group Limited (Proponent) Crediting Period: 1st, 01/07/2025 - 01/07/2055 Ecosystem Type: Degraded forests, areas suitable for agroforestry activities Carbon Credit Issuances: N/A	The Preliminary Review Submission (v3.0) of the project indicates that it positively contributes to at least three SDGs (SDG 13 and two others), but the actions undertaken towards these goals are not specified in the publicly available Gold Standard Registry documents of the project as of writing.	Although the Preliminary Review Submission (v3.0) of the project attests to the project having obtained the legal ownership transfer of products generated under Gold Standard certification (e.g., carbon credits) from project beneficiaries, the actual structure and demonstration of full and uncontested legal ownership of all Gold Standard products by the proponent are not disclosed in the Gold Standard Registry documents at writing.

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