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Conservation Partnerships: Preserving the Verde Island Passage, a Priority Conservation Corridor of the Sulu-Sulawesi Seascape

The Heart of the Coral Triangle

Nestled in the Philippine archipelago that forms part of the Coral Triangle is a marine jewel known as the Verde Island Passage (VIP). The coasts, islands, and waters between the Southern Luzon provinces of Batangas and Mindoro that form the VIP are home to extraordinary marine species—including the Bryde's and false killer whales, spinner and bottlenose dolphins, hawksbill, olive ridley and green turtles, whale sharks, and countless fish species. Due to the abundance of marine biodiversity in the VIP, scientists have called it the center of the center of marine shorefish biodiversity.*

The Verde Island Passage is the heart of the Coral Triangle, serving as a spawning ground for marine life that feeds into the surrounding ecosystems throughout the region. As one of the richest fishing grounds and top tourist destinations in the Philippines, it helps sustain the burgeoning tourism industry in the country. The VIP is a major sea lane for commercial and fishing vessels and supports industries such as oil and gas, domestic and international shipping activities.

Industrial pollution from agriculture, aquaculture and forestry-related industries, hotel and resort operators, and manufacturing and energy generating facilities pose serious threats to this precious marine environment..

Marine Biodiversity Hotspot in Danger

As one of the busiest shipping corridors, home to an international port and various oil and gas facilities, the VIP is increasingly under threat from the encroachment of human activities such as fishing, tourism, and navigation. Marine life is suffering from habitat destruction, marine and land-based pollution, unsustainable fishing and climate change impacts, which impact on the coastal communities who depend on the oceans for food and livelihood.

These threats are magnified by a range of socio-economic issues -- including the growing population that is congesting the coastal areas; poor access of coastal communities to education, health, housing, recreation and other basic services; and inadequate livelihoods.

Conserving the Verde Island Passage is therefore a challenging task that requires partnerships between the public and private sectors to successfully manage and protect this valuable marine habitat.

*The Coral Triangle is a tropical marine ecoregion fringed by Indonesia, the Philippines, Malaysia, Papua New Guinea, Solomon Islands and Timor-Leste. This region holds the highest diversity of marine life in the world.

VIP industrial assessment

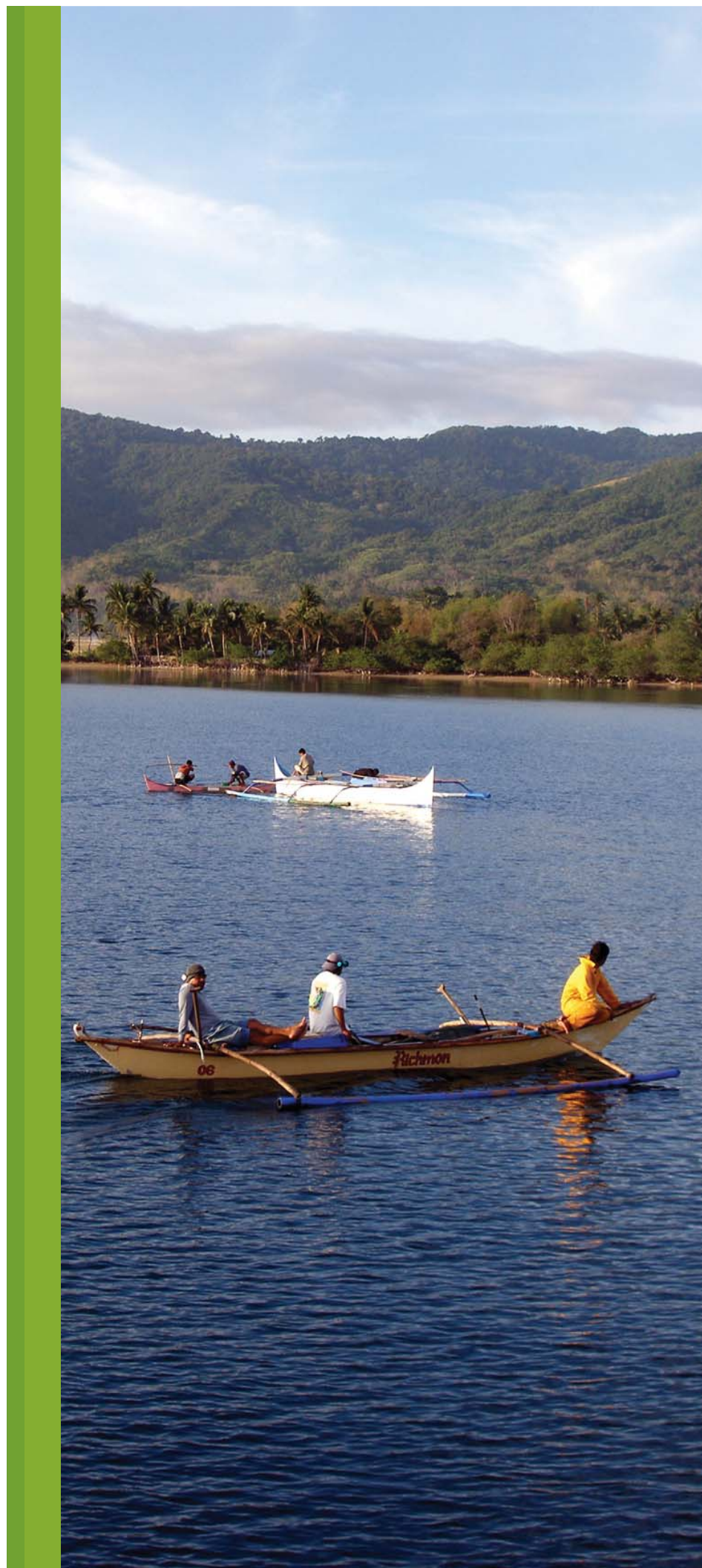
Based on records from the Department of Environment and Natural Resources-Environmental Management Bureau (Region IV-A and IV-B in 2010), a total of 586 registered industries are operating in the surrounding provinces (Marinduque, Mindoro, Batangas) of the VIP.

An industrial assessment conducted in the VIP identified the types of business activities in the VIP as follows:

Hotel, resorts and restaurants	55%
Agriculture and Forestry	15%
Electric, gas and water supply	9%
Manufacturing	8%
Transport Storage and Communication	7%
Construction, Wholesale and Retail Trade	3%
Real Estate, Renting and Business Activities	3%

The industrial assessment highlighted the following:

- Most industries that were surveyed were within the lowest environmental performance risk, and many showed little interest in environmental response due to extra costs. Only about 8% of the total sampled industries could be considered environmentally competitive using the USA-EPA standard. Across different industry types, primary industries such as those engaged in resource extraction that make up most of the sampled industry along with resorts and hotels, were both found to be generally within the lowest score range on environmental performance. But it was found that large-scale corporations engaged in manufacturing and some hotels and resorts that cater to international consumers tend to aim higher in achieving environmental competitiveness. Common environmental



Successful conservation requires industry's participation

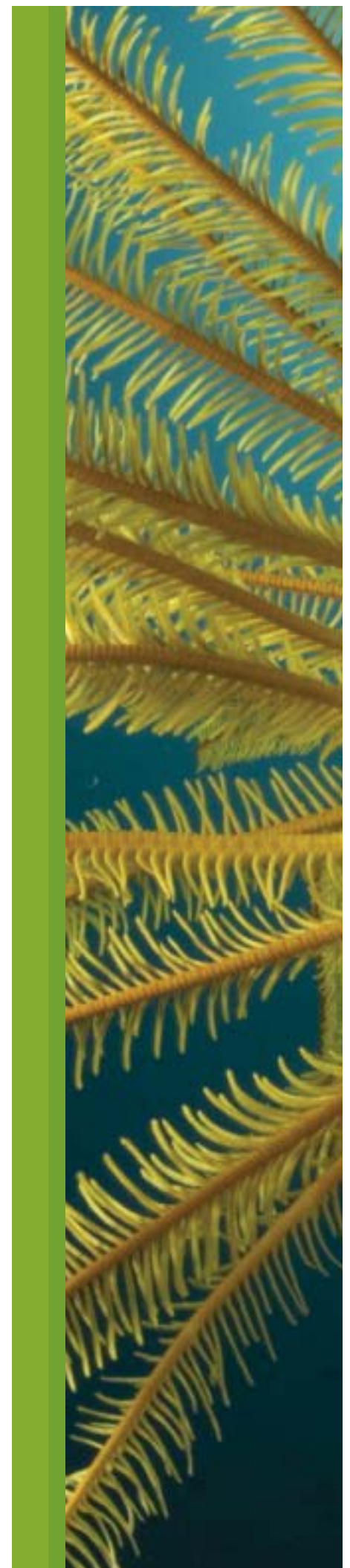
Industries have been increasing efforts to improve environmental performance, which are important in advancing marine biodiversity conservation. But much remains to be done to improve management and enforcement of conservation activities in the Verde Island Passage. We have just begun to harness the potential of industries and other stakeholders in conserving the VIP.

Conservation International continues to develop and improve initiatives for industries aimed at giving back to the environment and society, as they comply with global standards and various national and local regulatory instruments.

Insufficient funds and lack of political will are just some of the biggest challenges to conservation work. To ensure conservation success in the VIP, improvements are needed in each of the participating sectors:

- Governments must provide incentives for CSR enhancement. The participation of local government units (LGU) is key in the implementation of conservation programs and enforcement of conservation policies.
- Industries can link to the VIP's conservation management by participating in activities and projects related to their operations and competencies, which may be determined in partnership with NGOs. Industries must recognize that they can improve their company's economic value by taking initiatives in exploiting environmental opportunities by anticipating environmental regulation and standards. Companies must look beyond the issue of incurring higher costs for implementing environmentally sound management practices, and recognize that an environmentally pro-active leading company could be more profitable, and at the same time improve its reputation, thereby achieving a higher market value.
- It is important to cultivate good working relationships based on mutual understanding between regulatory agencies (such as the DENR) and the industries.
- Support from the private sector is critical in bringing together a wider range of stakeholders in coastal zone management, and will in turn improve local political support - particularly in the creation of marine protected areas. Donor support for policy reforms that improve security tenure and the investment climate in general also encourage private investment in better environmental practices and conservation.

Advancing marine conservation will only be successful with the participation of the public and private sectors to protect this marine treasure, the heart of the Coral Triangle, Verde Island Passage.



Pursuing successful conservation partnerships

Conservation efforts must be scaled up through enhanced partnerships among stakeholders.

Based on conservation experiences on the ground, CI-Philippines has learned important lessons for expanding the stakeholder base for successful conservation partnerships:

1. Stakeholder assessment is critical in identifying the best mode of partner engagement for each situation. Stakeholder mapping assesses the different players in an area and available manpower and resources to determine the best mode of engagement and best strategy for a particular situation or conservation agenda.
2. Feedback mechanisms such as integration meetings promote interaction among partners and provide direction to project implementation. Regular meetings and updates provide opportunities for evaluation and for making adjustments in implementation strategies.
3. Local government units (LGUs) are critical public sector partners for on-the-ground conservation and natural resources management efforts. LGUs have been identified as the most critical public sector partner for on-site interventions towards building long-term results.
4. There are opportunities in partnering with private corporations that have corporate social responsibility portfolios. They may expand the stakeholder support base and provide fund sources for conservation initiatives.
5. Matched funds and fund leveraging from partners help establish ownership and desired conservation outcomes. Matched funds and fund leveraging are essential in grant-making and prove that partners have a sense of ownership on achievements of the project and help ensure that results are being utilized to pursue conservation goals for the duration of the project and beyond.

measures include the installation of waste treatment facilities and solid waste reduction schemes such as reusing and recycling.

- Majority of the respondents claimed that their organizations do not have institutionalized corporate social responsibility (CSR) policy guidelines approved by the company's governing board. But some companies promote voluntary corporate initiatives. There is a need to increase awareness among companies on the importance of developing and implementing CSR strategies that could make their business operations more environmentally-friendly while gaining a competitive advantage in terms of cost-savings, operations efficiency and company reputation. Budgets for CSR activities must be included in the annual operations budgets to make them sustainable. CSR activities are seen as an additional unnecessary cost.
- CSR-related projects in the VIP usually involve a company's participation in environmental projects such as coastal and underwater clean-ups, tree planting activities, and environmental seminars to enhance environmental awareness and conservation efforts.
- Industries surveyed suggested how they can further participate in VIP conservation efforts: In the Agriculture and Forestry and Hotels and Resorts sectors, most identified financial donations as their contribution. Most from the manufacturing industries identified the improvement of their over-all environmental performance. The Electric, Gas and Water Supply sectors, as well as some Hotels/Resorts and Manufacturing firms said they were willing to adopt international certification standards for environmental management. Almost across all the different sectors, many are willing to implement information-education-communication (IEC) campaigns, particularly the Hotels and Resorts sector.

The study showed that industries recognize the need to collaborate with other concerned organizations, such as local government units and non-government organizations in the implementation of their CSR activities. Hence, over time, partnerships between and among industries and other organizations are increasingly common practice in the VIP to accomplish shared conservation goals.

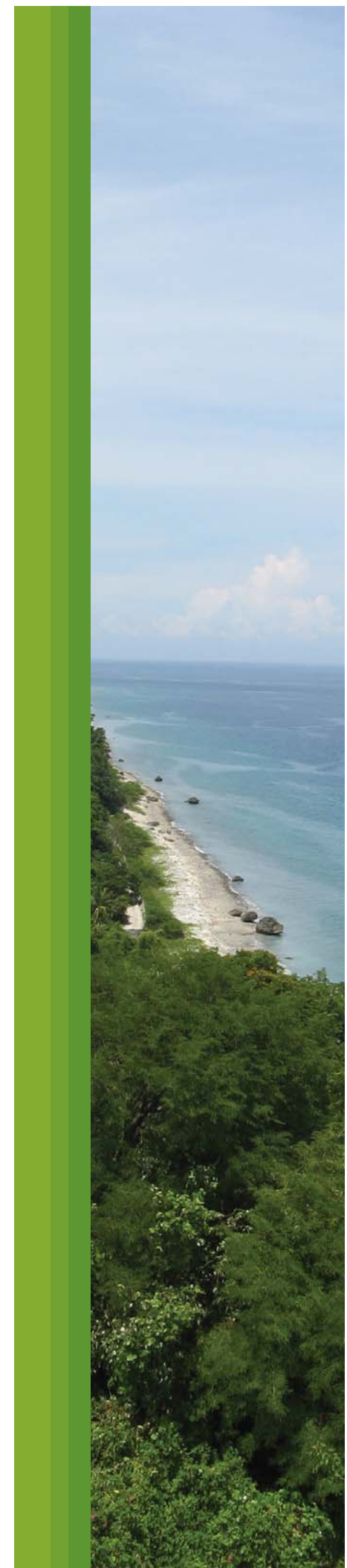
Conservation partnerships

Conservation efforts in the Verde Island Passage have been carried out primarily in the Batangas and Mindoro areas, where marine resources are most threatened. Below are key collaboration efforts among different stakeholders.

Governance

Executive Order No. 578 (Establishing national policy on biological diversity prescribing its implementation throughout the country, particularly in the Sulu Sulawesi Marine Ecosystem and the Verde Island Passage Marine Corridor) was signed last November 8, 2006 by former Philippine President Gloria M. Arroyo.

Under this order, CI-Philippines is a member of the Ad Hoc Task Force that drafted the Verde Island Passage Framework Plan (Resolution No. 2007-02), which identifies the extent of the Verde Passage corridor wherein 1.4 million hectares of coasts and waters are appropriately managed.





Non-Government Organizations

- Support from the Walton Family Foundation, and co-financing by partners have contributed greatly to CI-Philippines' Sulu Sulawesi Seascape (SSS) program, which, among other activities, works to conserve the Verde Island Passage by increasing marine protected area (MPA) coverage, establishing MPA networks, enhancing conservation management and policy enforcement, and increased government stewardship and allocation of resources for marine conservation work.
- To support of MPA establishment efforts, CI-Philippines conducted studies in the VIP with academic institutions. One study involved the University of the Philippines in the Visayas Foundation Inc. (UPVFI), the University of the Philippines Marine Science Institute (UPMSI), and De La Salle University through the Marine Environment and Resources Foundation, Inc. (MERF), and aimed to understand ecosystem health, the ecological processes behind biodiversity distribution in the corridor, and identifying the impacts from various disturbances.
- CI-Philippines supported species surveys and threat assessments in partnership with the Tropical Marine Research for Conservation (TMRC), the PAWB through the Pawikan Conservation Project (PCP), the DA-BFAR-National Fisheries Research and Development Institute (NFRDI), and the Marine Threatened Species Fisheries Interaction (MTSFI).
- The Partnerships in Environmental Management for the Seas of East Asia is a regional program supported by the Global Environment Facility/United Nations Development Programme/International Maritime Organization established in 1993. The Batangas Bay Region is one of its demonstration sites for integrated coastal management with the application of intergovernmental, interagency and multi-sectoral partnerships. The program boasts of a number of achievements including the creation of the Batangas Provincial Government-Environment and Natural Resources Office as lead local agency for environmental management and project management office.

Capacity-building

ICM Training

The Philippine Council for Aquatic and Marine Research and Development conducted an integrated coastal management (ICM) training for participants from three provincial and nine municipal/ city governments of Batangas, Oriental Mindoro and Palawan. It also conducted training on Sustainable Fisheries Management in the Context of the Code of Conduct for Responsible Fisheries for fisheries managers from the provincial and municipal/city governments of Batangas and Oriental Mindoro.

Policy and enforcement training

Tanggol Kalikasan (Defense of Nature) conducted training workshops on environmental governance and law enforcement for municipalities in Batangas Province. Haribon Foundation carried out an impact evaluation to determine the effectiveness of the ICM and governance trainings.

Private Sector

Conservation International-Philippines, through the Sulu Sulawesi Seascape and Coral Triangle Support Partnership projects, has developed initiatives for the sustainable development of the VIP aimed at engaging industries through corporate social responsibility (CSR).

Though many industries have some CSR-related projects, many still need to be institutionalized. Conservation efforts in the VIP must be enhanced for sustainability and consistency. Stakeholders, such as government agencies, the private sector, the public sector, and NGOs, must work together towards common goals to conserve the VIP.

These are some examples of collaborative efforts by industries to promote biodiversity conservation in partnership with the public sector and environment NGOs:

- **First Gen:** First Gen, the largest vertically-integrated power generation company in the Philippines, was one of the pioneer members of the oil and gas industry that partners with Conservation International to establish First Philippine Conservation Inc. (FPCI), a non-stock, non-profit, non-government organization formed in 1999 to undertake environmental conservation projects. FPCI engaged business, government, the academe, and civil society in active partnerships for the conservation of biodiversity, protection of the environment, and social development. One of the FPCI's notable achievements was the development and implementation of an ecosystem-based protection program in Verde Island. First Gen continues to support the "Center of the Center" project by providing support for Bantay Dagat operations in Mabini and Tingloy, Batangas.
- **Batangas Coastal and Resources Management Foundation (BCRMF):** The BCRMF was established in 1991 through the initiatives of the Governor of Batangas and five of the largest companies in Batangas province - Pilipinas Shell Petroleum Corporation, Caltex Philippines Inc., Chemphil Albright Philippines Inc., AG&P Inc., and General Milling Corporation. The Foundation is composed of private companies, government and non-government organizations, the academe, and concerned organizations and stakeholders working for the sustainable development of Batangas coastal areas and its tributaries.
- **Hamilo Coast and Punta Fuego Village Foundation, Inc.,** two entities with real estate development projects in Nasugbu, Batangas, are supporting coastal resource management in the area by providing support environmental education, marine protected area management, and enforcement.

