

CEPF FINAL PROJECT COMPLETION REPORT

I. BASIC DATA

Organization Legal Name: First Philippine Conservation, Inc.

Project Title (as stated in the grant agreement): Strengthening Corporate and Philanthropic Support for Biodiversity Conservation in the Philippines

Implementation Partners for this Project: First Philippine Holdings Corporation

Project Dates (as stated in the grant agreement): July 1, 2003 – September 30, 2005

Date of Report (month/year): November 2005

II. OPENING REMARKS

Provide any opening remarks that may assist in the review of this report.

FPCI sees its role as bringing together private corporations, other funding sources, CEPF grantees, and other players. As an intermediary, FPCI would bring the scale, expertise, independence, transparency, and accountability to investments in biodiversity conservation.

To be an effective intermediary, FPCI will provide a full range of services required to mobilize funding; to initiate and develop strategies, implementation of management services and delivery of infrastructures, community organizing and enterprise ventures, applied research on habitats and species protection, the use of various instruments such as grants, equity, debt, or endowments. In developing the above role, FPCI sought the CEPF's intervention through the "Strengthening Corporate and Philanthropic Support for Biodiversity Conservation in the Philippines Project".

FPCI is supported by the First Philippine Holdings Corporation (FPHC) as part of its corporate social responsibility (CSR). Both are members of the Lopez Group Foundation Inc. which is the hub for the CSR programs of the Lopez Group of companies, a major business conglomerate in the Philippines.

III. ACHIEVEMENT OF PROJECT PURPOSE

Project Purpose: Philippine business corporations, particularly those coming from the Lopez Group of Companies, are engaged as active allies in and philanthropic supporters of the biodiversity conservation outlined in CEPF's Ecosystem Profiles.

Planned vs. Actual Performance

Indicator	Actual at Completion
Purpose-level:	
Major corporations in the Lopez Group and others in the key sectors commit financial and political support to a list of identified projects .	FPCI has been able to get the support of a number of major corporations. The First Gen Corporation (FG), a significant member of the Lopez business conglomerate has integrated in their corporate social responsibility (CSR) agenda the conservation of biodiversity and protection of the environment. FG provided funds and volunteer support to projects in two priority sites that were earlier identified by Conservation International (CI). Through the Lopez Group Foundation Inc. (LGFI) of which FPCI is a member, FPCI promoted the CEPF supported activities and for consideration in the LGFI fund-raising program. In turn, the members provided link to FPCI to their networks including the Philippine Business for Social Progress (PBSP) that is an association of major private businesses. This eventually led to PBSP's adoption of the southern Sierra Madre corridor sites and partnering for the first time with a number of CEPF grantees. As a result, a number of its member companies in the PBSP have agreed to provide support to the sites. With FPCI as conduit for its CSR projects, a global tobacco manufacturing company engaged two other CEPF grantees that will enable them to deepen their relations with the local government partners and to work with new partners in local communities.
A conservation trust fund designed, legally established and endowed.	This is not yet realized. The progress on the trust fund was affected by FPCI's discussions on the board level

	about the need to review the status of Conservation International in the Philippines (CIP). There are views about investigating the possibility of a merger of FPCI with a local foundation that CI could be organizing. This uncertainty about the future status of the fund with FPCI as the sponsor has created a setback towards attaining this goal.
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Describe the success of the project in terms of achieving its intended impact objective and performance indicators.

CEPF's investment in FPCI through this project has enabled FPCI to develop and test relationship building "products", services, and processes and thereby reduce the barriers to participation of corporations. The support of CEPF to the core operations of FPCI has complemented the philanthropic donations that are not sufficient to cover more cutting-edge activities or research to build potentials. The seed capital from CEPF helped built FPCI presence in the markets and enabled it to gain sufficient scale to become an effective intermediary. Having the Lopez group as a major partner helped established FPCI's reputation and those of CEPF grantees that FPCI supported.

Were there any unexpected impacts (positive or negative)?

None that were not anticipated.

IV. PROJECT OUTPUTS

Project Outputs: Enter the project outputs from the Logical Framework for the project

Planned vs. Actual Performance

Indicator	Actual at Completion
Output 1: FPCI builds capacity to deliver intermediary and fund raising services for CEPF grantees and projects implementing CEPF's Ecosystem Profile for the Philippines.	
1.1. The staffs, office and equipment are in place by October 2003.	A fully functioning office was put in place. The FPCI has been integrated

	<p>within the Lopez Group Foundation Inc. (LGFI) as a full time operating foundation and benefits from the financial support of the FPHC, a holding company in the Lopez Group, and the professional services of FPHC's volunteer staffs. As member of the LGFI, FPCI has been able to avail of the services of the other members, such as access to media and public relations in widening the support for FPCI's mission. FPCI obtained extension of its accreditation with the Philippine Council for NGO Certification who recommends status for tax exemption of donors to its accredited members.</p>
<p>1.2. Policy /manual of operations are prepared and adopted by October 2003.</p>	<p>FPCI signed a partnership agreement with the First Philippine Holdings Corporation (FPHC) and adopted the procedures and governance policies of FPHC. In response to evolving needs, FPCI held meetings with finance and management teams of assisted CEPF grantees to regularly review the process on both sides to effectively respond to any new developments.</p> <p>To further strengthen operations, FPCI prepared a project manual that will guide its contractors in the performance of their functions.</p>
<p>1.3. Structure and modalities for conservation trust fund decided and confirmed as operational under relevant Philippine laws and regulations.</p>	<p>With the plan to establish a conservation trust fund put on hold indefinitely, to identify sources of funding for the CEPF grantees, FPCI promoted the sites of the CEPF grantees to the members of the Lopez Group Foundation Inc (LGFI) who also expressed interest in carrying specific sites for the overall group fund-raising both locally and globally. FPCI has</p>

	<p>promoted the idea of creating a trust fund to a larger audience of businessmen. As a result, the concept was adopted by the PBSP who agreed to investigate the feasibility of establishing a similar fund for a joint project also with selected CEPF grantees in the south Sierra Madre corridor.</p>
<p>Output 2. FPCI identifies and cultivates relations with potential corporate funders, particularly those from the Lopez Group of Companies.</p>	
<p>2.1. A marketing plan is prepared and presented to the board by November 2003.</p>	<p>FPCI presented a business and marketing plan to the board for their support. A business plan for the period 2004 to 2006 was prepared and discussed also with the board.</p>
<p>2.2. A list of potential partners is available beginning December 2003 and regular calls and requests are made regarding funding support throughout the life of this grant.</p>	<p>A list became available in December 2003 as a result of consultations with advisors. Visits were made to CEPF grantees' sites and to potential Lopez Group companies. A reference was developed which indicated timeline and contact developments regarding the visits.</p>
<p>Output 3. FPCI arranges matches of funds to selected CEPF grantees and projects as per CEPF's Ecosystem Profile for the Philippines.</p>	
<p>3.1. Communication materials about potential beneficiaries and their projects are prepared and discussed with potential partners beginning July 2003.</p>	<p>FPCI developed its audience familiarity with and interest in the CEPF projects through project briefs. In this activity, selected CEPF grantees assisted FPCI with their materials and information kits and CEPF representative provided regular updates on the CEPF Philippines</p>

	portfolio.
<p>3.2. Agreements are established with potential partners and beneficiaries beginning January 2004.</p>	<p>FPCI signed MOAs with corporate partners including the First Philippine Holdings Corp. and the First Gen Corporation of the Lopez Group. FPCI also had MOAs with a global tobacco manufacturing company for the benefit of selected CEPF grantees.</p>
<p>3.3. Matches of at least \$200,000 USD are made by the end of the grant period.</p>	
<p>Output</p> <p>4. FPCI arranges fund raising event(s) on behalf of CEPF grantees working on projects that implement CEPF's Ecosystem Profile for the Philippines.</p>	<p>FPCI promoted the projects of selected CEPF grantees to members of the Lopez Group Foundation Inc (LGFI) and obtained approval for inclusion of selected projects in LGFI's fund-raising efforts locally and globally. Through the FPCI efforts, the PBSP has joined with selected CEPF grantees in establishing a funding mechanism for important sites in the south Sierra Madre corridor. FPCI promoted also the CEPF projects to other global agencies whose officers have expressed preliminary interest in the private-public partnerships in the FPCI portfolio.</p>
<p>4.1. Plan for fundraising events prepared and agreed with CEPF by December 2003.</p>	<p>FPCI discussed fund raising events with the PBSP and the Lopez Group Foundation Inc. The former adopted the concept and proceeded to develop a program beginning in 2004. The latter is in the early stages as of 2005 of developing plan that will promote selected CEPF sites and access the media arm of the Lopez Group as part of the group's fund raising efforts for its member foundations.</p>
<p>4.2. Event(s) take place by end of grant period.</p>	<p>The PBSP supported fund-raising event with FPCI is in progress in 2005 for selected sites in the southern</p>

	<p>Sierra Madre corridor with commitments coming from a number of its member companies. FPCI's project with First Gen Corporation was launched in early 2005 and will have a second phase beginning in 2006. FPCI's projects with the global tobacco company are in progress until 2006.</p>
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Describe the success of the project in terms of delivering the intended outputs.

The project was largely successfully in delivering the intended output of building capacity to deliver intermediary services, linking with the corporate funders including the Lopez Group of companies, and arranging funds for selected CEPF grantees. Although, the project has been constrained to deliver the output on arranging FPCI's own fundraising event, it provided FPCI the means to collaborate with other networks with wider reach and increased the possibility of successfully identifying funds for selected CEPF grantees.

Were any outputs unrealized? If so, how has this affected the overall impact of the project?

The unrealized output is the establishment of a trust fund for environment that will support the work of the CEPF grantees. However, this situation has not affected the overall impact of the project. FPCI, instead of owning this initiative collaborated with other major groups to arrive at a similar output. During the process, FPCI has engaged important parts of the private business sector.

FPCI has identified different funding needs of selected CEPF grantees, and taken the opportunities to develop different funding sources, with varying nature and location for the private sector to participate in such as : i) establishing a Philippine Eagle Fund jointly with a CEPF alliance, 2) supporting a corridor development fund with a consortium of private business, 3) setting within FPCI a corporate sinking fund for targeted activities of corporate partners who have thematic and geographic focus, 4) a variant of #3 which will be set up as counterpart for funds that are raised from the local governments.

<p>V. SAFEGUARD POLICY ASSESSMENTS</p>

Provide a summary of the implementation of any required action toward the environmental and social safeguard policies within the project.

There are no requirements as these are not applicable in this project.

VI. LESSONS LEARNED FROM THE PROJECT

Describe any lessons learned during the various phases of the project. Consider lessons both for future projects, as well as for CEPF's future performance.

Corporations usually do not have information about the conservation needs of their communities especially in the coastal areas or the buffer zones of protected areas and usually do not perceive the benefits to them in supporting conservation actions. As such, they do not have immediate incentives to improve the situation of the communities who are also their constituencies. Given such situation, it has been effective for FPCI to take on these roles: as (a) a catalyst through its own initiatives to explore new strategies which if successful will leverage large amounts of corporate investments; and as (b) a facilitator in engaging corporations in productive and coherent endeavors.

As catalyst:

Engaging partners would need flexibility and creativity so that the dialogues are kept ongoing and the actions of FPCI remain responsive to the demand of the corporate audience who are FPCI's market. In the case of the Lopez group of companies, engaging the First Gen Corporation involved knowing their corporate social responsibility agenda and addressing their needs in developing plans and their brand values. This resulted in a program that had implications on sustainability as this also involved building partnerships on a greater scope such as including the provincial and municipal governments, because they will have a say on the access to future complementary funding resources. In the case of another major corporate partner, this meant collaborating with their corporate affairs team in order to identify opportunities to align their activities to conservation efforts of the CEPF grantees.

Have concrete action proposals, because the corporate clients are not interested in funding studies. This implies complementation between the studies that CEPF supports and the actions that corporate partners want. The alignment in timing of activities and the availability of capacity to implement are important elements for success in having the corporation's support.

A shift of corporate thinking from supporting site based conservation strategies to those that are more regional or national in scale, requires that the company also recognizes that it plays an important role on this scale. If this is not possible, it would be helpful to engage instead companies who are banded on an association level who want to make an impact at that scale.

Since the issue on water affects the bottom line of companies and captures the hearts of corporate executives and employees, FPCI and its supporters named a project "Water for Life for Metro Manila and Southern Luzon provinces". Highlighting the support to watersheds that are the habitats of endangered species is an indirect way of defining conservation outcomes, and responds to the needs of stakeholders. Packaging proposals in this manner allows for wider business participation, and enables stakeholders like the local government units to find immediately common interest with the business sector.

As facilitator:

The project of the CEPF grantee who FPCI is assisting should be very specific and measurable, and aligned with the interest of the potential corporate partner. This demands from the grantee and FPCI a significant amount of project preparation and efforts to understand the corporate needs.

It helps in knowing or anticipating a prospective corporate partner's exit strategy options. These assist in its assessment of the elements of the proposed project's sustainability.

Corporate funders usually look for site specific project activities as well as information on costs to measure efficiency. FPCI should be able to build a pipeline of those to be able to capture opportunities. Doing so would require a good familiarity with the CEPF grantees current activities as well as their capacity to implement and deliver at reasonable costs. FPCI should be able to provide grantees standards of what is acceptable or norms of best practices.

As this is peculiar to the Philippine situation, it would assist the project if the CEPF grantee had also a tax-exempt status similar to FPCI so that the issue of taxes does not hinder the flow of technical assistance from FPCI.

Project Design Process: (aspects of the project design that contributed to its success/failure)

The project's design has made assumptions about a more flexible approach to engaging business partners. In this regard, the capacity of FPCI that the project strengthened was its ability to reach out also to corporate partners who do not welcome unsolicited proposals. This meant activities in building relationships and keeping them informed, nurturing a wider network of contacts and engaging those with challenges and concepts that address their core areas of interest.

During the course of project implementation there were significant changes in the business environment that provided opportunities for flexibility in engaging the potential corporate partners. However, this also affected the pace and progress of the project implementation. The unstable political environment restricted the

overall business climate. This affected the business demand for proposals and the urgency to act on those. This affected the regulatory environment as the list of government personalities who FPCI should relate with was also changing.

After the project had begun implementation in December 2004, the Philippines suffered from severe natural calamities that influenced the nature of corporate giving. This became more oriented to immediate results, and tended towards activities with greater economic and social development impact in the short term. Moreover, the corporate donor was no longer traditionally a passive donor, as it took on a more proactive approach in identifying strategic partners in the design and development of the initiatives it wants to support and to seek opportunities in strengthening the values of their corporate identity or brand. They have also asked for a more rigorous reporting and audit processes regarding the directions of their grants.

A number of corporations were more inclined to provide in kind donations rather than cash, be very restrictive, or have already committed their corporate involvement in projects which are more oriented to social development and outside of the CEPF grantees' sites.

In response to the above mentioned conditions, FPCI highlighted the economic and social development dimensions of its projects and aligned with the corporate social responsibility agenda of the corporate partner. FPCI widened the scope of its IEC to reach also more of the corporate officers and staffs so that they have deeper understanding of the issues affecting conservation efforts and on their own assist in identifying the possibilities of enhancing their corporate brands.

FPCI also explored other means of project support to include not only grants, but also other vehicles such as volunteerism assistance by key management, donations of used equipment, assistance through the companies' network of contacts that are cost effective to achieve the corporate partner objectives.

The project's objective to engage the Lopez Group of companies and the board direction to start with a demonstration project provided FPCI with credibility. This enabled FPCI to collaborate with others to reach far larger resources.

Project Execution: (aspects of the project execution that contributed to its success/failure)

During the early course of the project, the FPCI board directed a focus primarily first on the Lopez companies. This allowed FPCI to demonstrate success before engaging companies who were outside of the group. This strategy enhanced the credibility of FPCI

The senior partners of the stakeholders such as the First Philippine Holdings of the Lopez group and CIP met regularly with FPCI to recognize the issues and opportunities and move the discussions to more specific plans. The identification of timing and specific actions helped alleviate the concerns and mitigate delays in carrying on the work agenda of FPCI.

VII. ADDITIONAL FUNDING

Provide details of any additional donors who supported this project and any funding secured for the project as a result of the CEPF grant or success of the project.

Donor	Type of Funding*	Amount	Notes
First Philippine Holdings Corp.	A	US\$37,500	Counterpart funding is complemented by executive volunteers time and subsidies to use of office and equipment
First Generation Corporation	B	PPh3,818,000	The indicated amount were FG's cash support to a pilot project which is part of a three-year program, and a small amount for a research by another NGO
Philippine Business for Social Progress and corporate members	C	Not yet known	PBSP secured commitments from a number of it's corporate members for support in cash and volunteers time in a public-private partnership project for the southern corridor of the Sierra Madre. The amounts are still being worked out.
Global Tobacco Company*	B	PPh4,550,000	In addition were donations of used equipment valued at PPh500,000
Conservation International	D	USD30,000 and USD	CIP was able to secure US\$30,000 from the

Philippines (CIP)		250,000	Henry and Packard Foundations and another US\$250,000 from the Walton to implement a marine corridor program
BG Philippines	B	PPh250,000	This is to implement a joint project with CIP

***Additional funding should be reported using the following categories:**

- A** *Project co-financing (Other donors contribute to the direct costs of this CEPF project)*
- B** *Complementary funding (Other donors contribute to partner organizations that are working on a project linked with this CEPF funded project)*
- C** *Grantee and Partner leveraging (Other donors contribute to your organization or a partner organization as a direct result of successes with this CEPF funded project.)*
- D** *Regional/Portfolio leveraging (Other donors make large investments in a region because of CEPF investment or successes related to this project.)*

Provide details of whether this project will continue in the future and if so, how any additional funding already secured or fundraising plans will help ensure its sustainability.

The project will continue in the future. The continuing projects with the First Gen Corporation and another major company outside of the group provide support to core costs. Being a member of the Lopez Group Foundation Inc also provides FPCI venue for reaching out to a greater number of companies in the group and their networks for fund raising.

The project activities have deepened capacity in the areas of skills, knowledge, experience, and resource mobilization. This was through the active participation and involvement of the project staffs, and selected CEPF grantees . These should help in reducing dependencies with the CEPF and the FPCI by the grantees and contribute to sustainability.

VIII. ADDITIONAL COMMENTS AND RECOMMENDATIONS

FPCI sees greater roles in promoting communications among the CEPF grantees and building the capacity of the CEPF grantees and practitioners in engaging the business sector in corporate social responsibility (CSR) for the conservation of biodiversity. As this is an area requiring competencies and new approaches, this will involve setting a more coherent set of standards and shared norms to adhere to. This also requires creating values in sharing information and having advice

from colleagues. FPCI can help develop resources that can address common issues more effectively and find collaborations. Activities could include regular convenings of the CEPF grantees, establishing common communication channels for closer interaction and networking, compiling and analyzing learnings to draw more corporate interest. This will also respond to understanding why corporations are hesitant partners in biodiversity conservation and identifying the steps needed to correct those and to create enhancements to reduce the business risks of participation.

VIII. INFORMATION SHARING

CEPF aims to increase sharing of experiences, lessons learned and results among our grant recipients and the wider conservation and donor communities. One way we do this is by making the text of final project completion reports available on our Web site, www.cepf.net, and by marketing these reports in our newsletter and other communications. Please indicate whether you would agree to publicly sharing your final project report with others in this way.

Yes ___* _____

No _____

If yes, please also complete the following:

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