

CEPF SMALL GRANT FINAL PROJECT COMPLETION REPORT

I. BASIC DATA

Organization Legal Name: Philippine Business for Social Progress

Project Title (as stated in the grant agreement): Mobilizing Business Sector Resources to Support Watershed Management

Implementation Partners for This Project:

1. Unilever Philippines
2. Manila Water Company, Inc.
3. Pilipinas Shell Petroleum Corporation
4. Nestle Philippines
5. ABS-CBN Foundation – Bantay Kalikasan
6. First Philippine Conservation, Inc.
7. Philippine Business for the Environment

Project Dates (as stated in the grant agreement): March 1, 2005 – June 30, 2007

Date of Report (month/year): January 18, 2008

II. OPENING REMARKS

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

In 2004, PBSP initiated the Business and the Millennium Development Goals (MDGs) Program, which aims to encourage the business sector to support the achievement of the MDGs and consolidate the country's business sector response to the MDG challenge.

Goal #7 of the MDGs is to ensure environmental sustainability. To address this concern, the Business and Environment Cluster has chosen to support two programs: 1) Water for Life Partnership Program (formerly known as Watershed Management Program) for Southern Sierra Madre Corridor, a biodiversity conservation program which aims to rehabilitate and restore the ecosystem of the area into its normal state and ensure its sustainability, which include specific activities and projects on biodiversity conservation, poverty alleviation/reduction and policy development and stakeholders involvement; and 2) Supply Chain Partnerships for Environmental Management and Pollution Prevention, a complimentary program which aims to enable companies institutionalize policies and mechanisms in addressing environmental concerns through supply chain environmental management. These two programs are being promoted among the business sector in order to contribute to environmental sustainability.

The ***Mobilizing Business Sector Resources to Support Watershed Management Project*** aimed to set-up the mechanisms to enable companies to adopt the programs of the Business and MDG Environment Cluster thru the establishment of an environmental trust fund that will support the components of the CEPF-funded new protected area establishment project in the southern portion of the Sierra Madre Corridor. This includes biodiversity conservation, poverty alleviation/reduction and policy development and stakeholders involvement.

A no-cost extension was requested to continue to generate the commitment and support the activities, such as the launching of the Water for Life Program and other advocacy activities that will gather commitments from the business sector to adopt the program and to identify the specific area to start the program.

This project accomplishment report covers the period March 2005 to June 30, 2007.

III. NARRATIVE QUESTIONS

1. What was the initial objective of this project?

This project aimed to: 1) undertake an intensive education and awareness campaign to popularize and market the Business and MDG Environment Programs; and 2) secure commitments from companies to adopt/support these programs that will translate to at least \$70,000 resources mobilized.

2. Did the objectives of your project change during implementation? If so, please explain why and how.

No. Ever since the Business the MDGs Program was initiated, the objective really is to engage the business sector in the MDG campaign, make them aware of the program and get them to commit time and resources in helping the country achieve its MDG targets, specifically for the Business and MDG Environment.

3. How was your project successful in achieving the expected objectives?

The first year of program implementation focused on creating partnerships not just with the business sector but with other groups like NGOs, chambers and international agencies such as the United Nations.

The project paved the way for the establishment of the systems and structure in generating support and commitment of the business sector towards the MDGs. The identification of a CEO Champion for Business and MDG Environment Cluster in the person of Mr. Howard Belton, *Former Chair and CEO* of Unilever Philippines, was very instrumental in pushing forward the agenda of the Cluster. His role was to provide the direction and ideas on how to successfully engage other businesses in the campaign. His successor, Mr. Sanjiv Mehta, incumbent *Chair and CEO* of Unilever Philippines, continued the environmental advocacies and agenda of the Environment Cluster.

A Business and MDG Environment Core Team composed of at least 5 organizations was organized to provide support to the CEO Champion and oversee the implementation of the campaign. Part of their role is to develop, review work plan and strategies and provide direction for the effective implementation of the MDG programs. PBSP acts as the secretariat and convenor of the Business and MDG Program.

During the extension period, the following activities were undertaken:

- Meetings and workshops were conducted to develop the Environment Cluster agenda for the business response to the millennium development challenge, which led to the identification of the Water for Life and the Greening the Supply as the flagship programs for the campaign
- For the Water for Life, site visits/ocular inspections to the proposed sites were conducted with the Environment Cluster members.
- As a kick-off strategy, the cluster decided to adopt the completion of the reforestation of the La Mesa Watershed. Program partners Unilever Philippines and Pilipinas Shell Petroleum Corporation, committed PhP 2,200,000 as initial funds to cover the remaining 37 hectares.
- Cluster meetings were continuously undertaken to re-strategize, which finally led to the identification of the Ipo Watershed as the strategic focus area because of its critical status. With the identification of a new site, new members were also added to the cluster, which include Manila Water Co. and DENR Bulacan, and some NGOs working in the area.

- In support to the campaign, Business and MDG Sales Kit was developed to provide a more effective and appealing marketing tool to engage the business sector in supporting the Business and MDG Programs. Likewise, a monitoring and reporting system was set-up to track down accomplishment and other related business sector initiatives. A Business and MDG Investment Report that aims to consolidate, highlight, and recognize the efforts of the business sector in contributing to the achievement of the Philippine MDG targets will be published.
- On Supply Chain Environmental Management or Greening the Supply Chain (GSC) Program, a GSC Research Study was conducted to evaluate pilot companies and to determine issues and concerns in implementing GSC.
- Part of the strategy to widen the scope and reach more companies to support the MDG targets was to replicate such initiatives in other provinces. In Cebu, they have adopted the Buhisan Watershed, also at critical stage, as the target area. The Advocacy campaign program is being spearheaded by the Mandaue Chamber of Commerce and Industry.

With these activities, the Environment Cluster is on track of successfully achieving the set objectives. The new strategies identified are more concrete and doable for the business sector to adopt.

4. Did your team experience any disappointments or failures during implementation? If so, please explain and comment on how the team addressed these disappointments and/or failures.

The Environment Cluster working group encountered several challenges. As earlier reported, focusing was a problem because of the very large area and coverage of the initial project site. After conducting several activities the cluster decided to consider focus areas that are manageable for business support for the Water for Life program. The cluster kicked-off the campaign with the adoption of the completion of the La Mesa Watershed Rehabilitation program, which generated 2.2 million pesos financial support from the business sector. Planning ahead, the cluster explored the adoption of the Ipo Watershed as the next focus area for the campaign. Ipo Watershed was highly considered for rehabilitation because of its rapid degradation due to uncontrolled in-migration, illegal logging and other destructive activities undertaken within the watershed.

During the extension period, the cluster initiated the discussions with Manila Water Company, one of the water concessionaires in Metro Manila, in the preparation of the Ipo Watershed campaign agenda. It was found out that, currently, protection of the watershed is weak because there is no comprehensive watershed management and protection plan agreed upon by the two government agencies (Metropolitan Water and Sewerage System or MWSS and the Department of Environment and Natural Resources) assigned to manage the watershed. Hence, for the longest time, they have been operating the Ipo Watershed independently of each other.

However, putting pressure on the attached institutions to seriously look into the issues and concerns of Ipo watershed collectively, Manila Water is now consulting the 2 government agencies in-charge in the crafting of the comprehensive watershed management and protection plan. The Environment Cluster is awaiting the call of Manila Water to mobilize business sector resources to support the rehabilitation agenda.

5. Describe any positive or negative lessons learned from this project that would be useful to share with other organizations interested in implementing a similar project.

For a project as broad as the Water for Life Program, there is a strong need to build and strengthen the business case. The companies should clearly see why there is a need for

them to invest in the area. This was the reason why the Cluster required a lot of data from the program partner.

The identification of a specific area is critical and factors such as coverage and accessibility should be considered. The team also suggested that focusing on a small, defined area wherein the impact that will be generated will be readily appreciated by the business sector is more marketable/feasible.

Watershed areas are heavily governed by laws and regulations. It is very important to understand the management structures, dynamics and relationships of the institutions working in the area in planning and designing a campaign for such project. It is also important to ensure that the group is a recognized partner in the project and work with appropriate channels.

On the other hand, managing the individual interests of companies supporting the project is also a challenge because there are companies that do not want to work with other companies.

6. Describe any follow-up activities related to this project.

The Business and MDG Environment cluster will continue to work on the following to formally launch the adoption of the Ipo Watershed under the Water for Life campaign

1. Development of the campaign plan for the Ipo Watershed Rehabilitation under the Water for Life Program

The Cluster is currently coordinating with the co-managers of the Ipo Watershed, the Department of Environment and Resources (DENR) and the Metropolitan Waterworks and Sewerage System (MWSS) for the development of the campaign plan.

2. Launch of the Ipo Campaign

The Launching of the Water for Life Partnership Program aims to build the interest and awareness of the business sector to support the rehabilitation of the Ipo watershed, which if continue to decline poses threat to the sustainability of water supply for Metro Manila.

3. Enjoining business organizations/chambers to support the program

A series of program presentations will be undertaken with more business organizations and chambers such as the Management Association of the Philippines, local business groups such as Laguna Chamber of Commerce, rotary clubs and civic organizations that can possibly support the Business and MDG Environment programs.

4. Business and MDG Monitoring and Reporting

Periodic monitoring and reporting will be conducted to account and recognize business sector contributions to the achievement of the MDG goal #7.

IV. 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
Unilever Philippines	Project co-financing	P 50,000	Unilever Philippines sponsored the conduct of the CEO Forum on Environment on March 28, 2005
United Nations Office of the Resident Coordinator (UNRC)	Complementary funding	P 300,000	Showcased the MDG Environment Cluster during the CSR Week MDG Plenary Session
	Complementary funding	P 168,000	Presented the MDG Environment Programs including the environment agenda
	Complementary funding	P 100,000	Printing of the Business and MDG Primer and production of MDG Video where the MDG Environment programs have been highlighted
United Nations Development Programme (UNDP)	Complementary funding	P 20,000	Development of the Business and MDG Sales Kit
United Nations Development Programme (UNDP)	Complementary Funding	P 980,000	Development and printing of the Business and MDG Investment Report; Enhancing Business and MDG Advocacy Campaign to generate more commitment from the business sector
German Development Service (DED)	Complementary funding	P 400,000	Conduct of Greening the Supply Chain (GSC) Evaluation Study to develop a support system to help company adopters implement a doable program

***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 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 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.

Since part of the objectives of this project is setting up the mechanism and structure to continuously undertake the project, the Business and MDG Environment Cluster have identified and developed specific programs, namely: 1) Supply Chain Partnerships for Environmental Management and Pollution Prevention; and 2) Water for Life Partnership Program. These programs will continuously be promoted under the wider Philippine Business and the Millennium Development Goals Program. More intensive campaigns will be launched and undertaken to gather more companies to adopt and concretize their support to the MDGs.

V. ADDITIONAL COMMENTS AND RECOMMENDATIONS

Given the promising results in the initial implementation of the program, PBSP has expanded the MDG campaign in Metro Cebu and replicating the mechanisms (systems and structure) to undertake program. The business community in Cebu is equally enthusiastic in supporting this initiative.

VI. 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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