

Forest Carbon Project in Quirino Province, Sierra Madre Biodiversity Corridor, Luzon, Philippines

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BACKGROUND OF THE PROJECT SITE OPERATION

2003-2005: CI-Philippines and ICRAF Philippines collaborated to conduct a feasibility study of forestry carbon projects at Sierra Madre Biodiversity Corridor (SMBC). ICRAF-Philippines was commissioned to conduct the carbon stock assessment of the various land uses within proposed forest carbon project site at Sierra Madre Biodiversity Corridor.

2006-2007: CI-Philippines established the 20-hectare pilot area of the forest carbon project in Quirino, a reforestation and an agroforestry farm development.

2008-2009: CI-Philippines were able to catalyze a fund donor (moreTrees Inc.) for the forest carbon development of 41 has. Formulated the plan and firm-up the Memorandum of Agreement among project partners for the forest carbon development. In 2009, prepared 2 Project Design Document (PDD) for the proposed 177 ha following the standard template for Climate Change & Biodiversity Standards (CCBS). The first version (May 2009) of PDD was submitted for validation audit to the Rainforest Alliance (RA) in June 2009

2010: RA conducted reassessment audit of the PDD (revised May 2010), and established that the Project Proponents were able to meet all the required criteria. Validation of PDD is approved on June 17, 2010 under CCB Standards as Gold Level.

Conservation International (CI) launched a carbon sequestration and monitoring program that provides investment opportunities for sustainable protection of the central Sierra Madre area, particularly along the Sierra Madre Biodiversity Corridor (SMBC).

The Sierra Madre, home to nearly half the country's forest is essential habitat for threatened species.

The SMBC encompasses 1.4 million hectares of land, where the country's remaining old-growth forests can be found. It is the longest mountain range in the country, measuring about 500 kilometers long. It is an important habitat to more than 400 species of wildlife, which 153 species are only found in the country. It also serves as a watershed for the region, supplying water for hydroelectric generation and household and agricultural use.

CI-Philippines Forest Carbon Project in Sierra Madre is being established at 2 locations- within Quirino Protected Landscape (QPL) at Quirino province and within Peñablanca Protected Landscape and Seascape (PPLS) at Cagayan province. These two locations form part of the Sierra Madre Biodiversity Corridor (SMBC).

In Quirino province, CI worked with local and national governments in collaboration with communities and the private sector, to establish the 175,000 hectare-Quirino Protected Landscape.

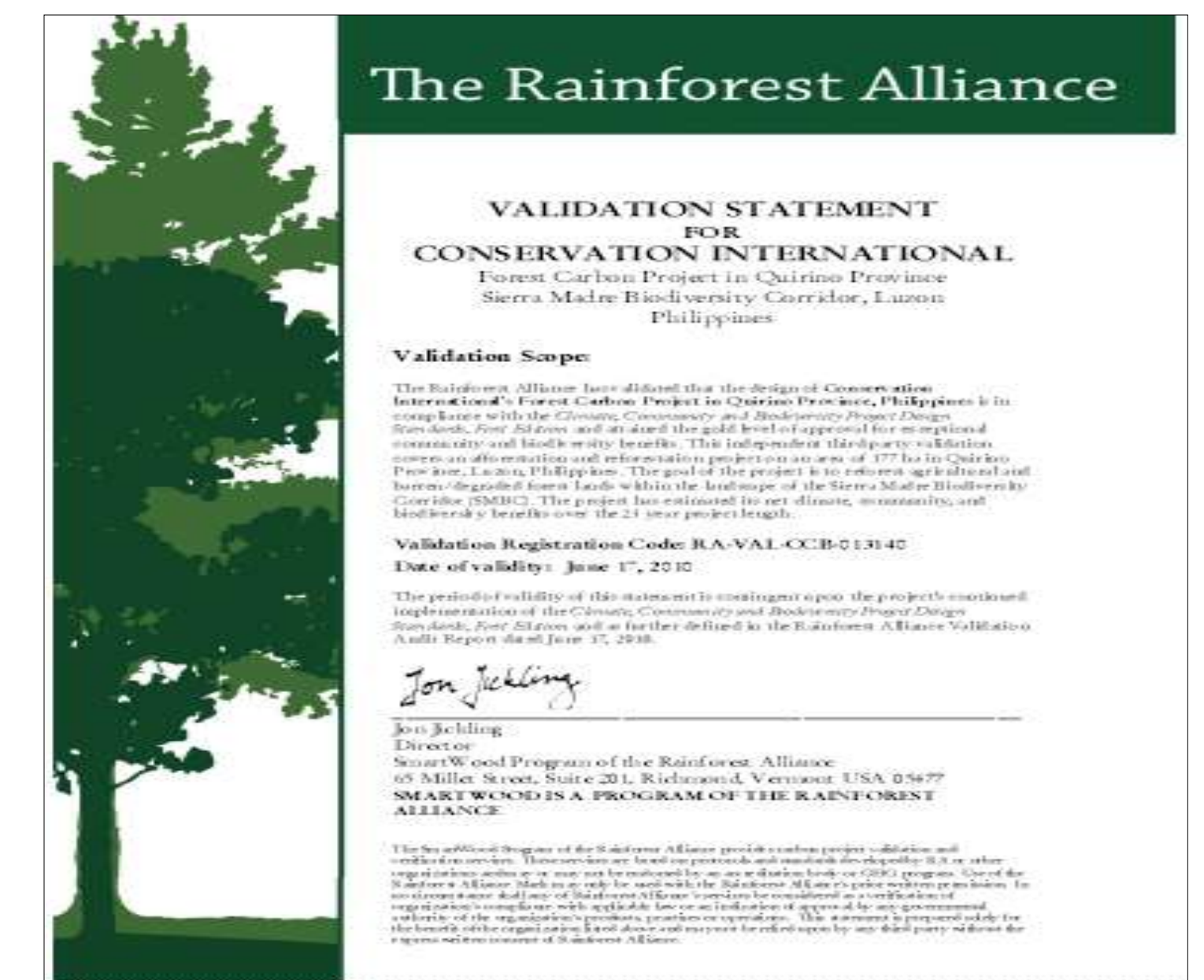


Figure 1: The Rainforest Alliance validation statement indicating project design of Conservation International's Forest Carbon Project in Quirino Province, Philippines is in compliance with the Climate, Community and Biodiversity Project Design Standards.

PROJECT OBJECTIVE

Aside from carbon sequestration, the project aims to provide an additional source of livelihood for the local community, to protect and improve the habitat for animals and plants, and stabilize ecology in the watershed areas.

FOREST CARBON DEVELOPMENT STRATEGY

Area coverage is part of the proposed 13,000 hectare carbon sequestration project in the province of Quirino wherein the remaining forests are already highly fragmented. Forest carbon development covering an aggregate total area of 177 hectares is expected to remove/sequester 1,808 tCO₂/yr, or 41,576 tCO₂ over the 23 years crediting period (Micro project)

The project deploy an agroforestation scheme: establishing forest tree plantations and agroforestry farms.

Forest tree plantation establishment (155 hectares)

The forest trees species planted (3m x 3m spacing) are Narra (*Pterocarpus indicus*), Molave (*Vitex parviflora*), Dao (*Dracontomelon dao*), Palosapis (*Shorea palosapis*), Balakat-gubat (*Sapium luzonicum*), Kalantas (*Toona kalantas*), Tuai (*Bischofia javanica*)

Agroforestry farm development (22 hectares)

The fruit tree species planted (8m x 8m spacing) are the Citrus family (*Citrus spp*), Lanzones (*Lansium domesticum*) and Rambutan (*Nephelium lappaceum*). Cash/food crops, maize and banana intercropped in between the fruits trees.

Technical and Management support

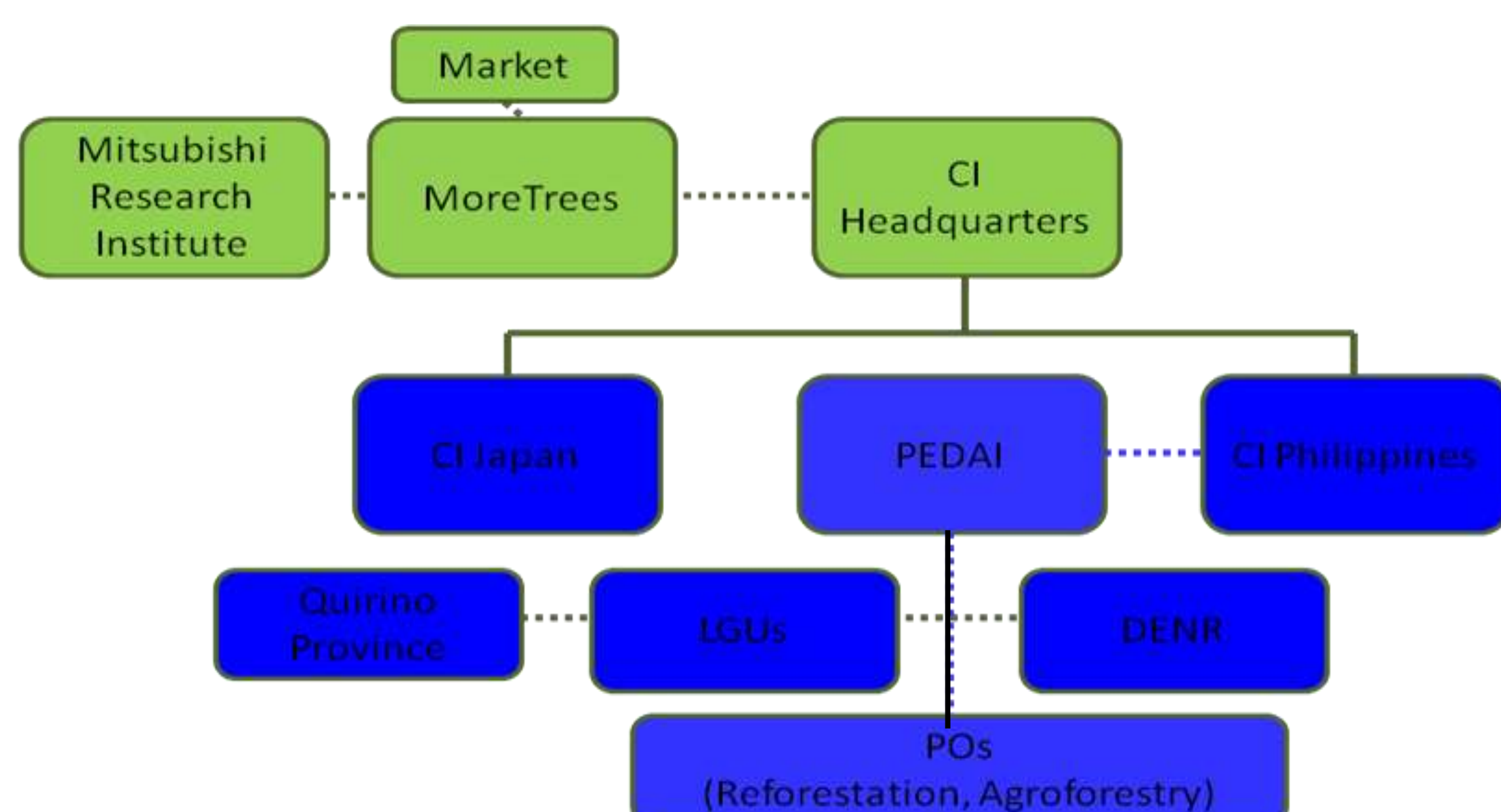


Figure 2: Administrative set-up of Forest Carbon Development project in Quirino

Agreements and arrangements of the project development, including the roles and responsibilities of each stakeholder, including that of the farmer-participant (landholders) are stated in the Memorandum of Agreement (MOA).

Financial support

More Trees Inc. provided an amount of 280,000 USD for the forest carbon development of 41 hectares from the total 177 hectares area targeted for forest carbon development.

PROJECT DEVELOPMENT APPROACH

Forest carbon development adopt a community-based approach which involves three People's Organizations (POs) – Divisoria Sur Agroforestry Farmers Association (DSAFA), Sto. Niño Integrated Social Forestry Association (STISFA), and Sangbay Upper Basin Ecological Farmers Organization (SUBEFO).

Aside from the CI-Philippines, the project partners also include CI headquarters and CI-Japan, DENR-R2, the provincial (Quirino) Local Government Unit, the Palacian Economic Development Authority Inc. (PEDAI) - a non-government organization, and moreTrees Inc.

Technical Arrangements

Each participant shall conduct the forest carbon development in respective landholding, including maintenance and protection for the entire project duration. Project Proponent shall provide financial and technical support.

The POs in each barangay take charge the nursery operation. Planting materials will be provided by CI-Philippines.

Each farmer-participant will received seedlings corresponding to the number of seedlings required based on the size of the landholding.

CI-Philippines will establish and maintain the nurseries.

For reforestation component, establishment cost (seedlings and labor for field preparation and planting) shall be paid by CI-Philippines while maintenance and protection will the farmer-participant counterpart. A reforestation contract agreement has been signed between the individual owners and the project proponent.

For agroforestry component, fruit tree seedlings and fertilizers shall be provided while labor for planting shall be landholder participant counterpart

The aggregate total area coverage of the forest carbon development project is 177 hectares comprising a total of 108 parcels of land with 96 farmer participants. An aggregate total of 162 hectares comprising the 95 parcels were under the Integrated Social Forestry (ISF) program of the DENR and issued with Certificate of Stewardship Contract (CSC) while 15 hectares are privately owned by one participant.

KEY AREAS OF CONCERN

Site development

- Expanding the area coverage of the forest carbon development
- Ensuring validity of land tenure instrument of project participants consistent to applied crediting period for carbon ER credits

Resource use/mobilization

- Ensuring the capability of the PEDAI to manage the overall project operation
- Ensuring active support of the major stakeholders

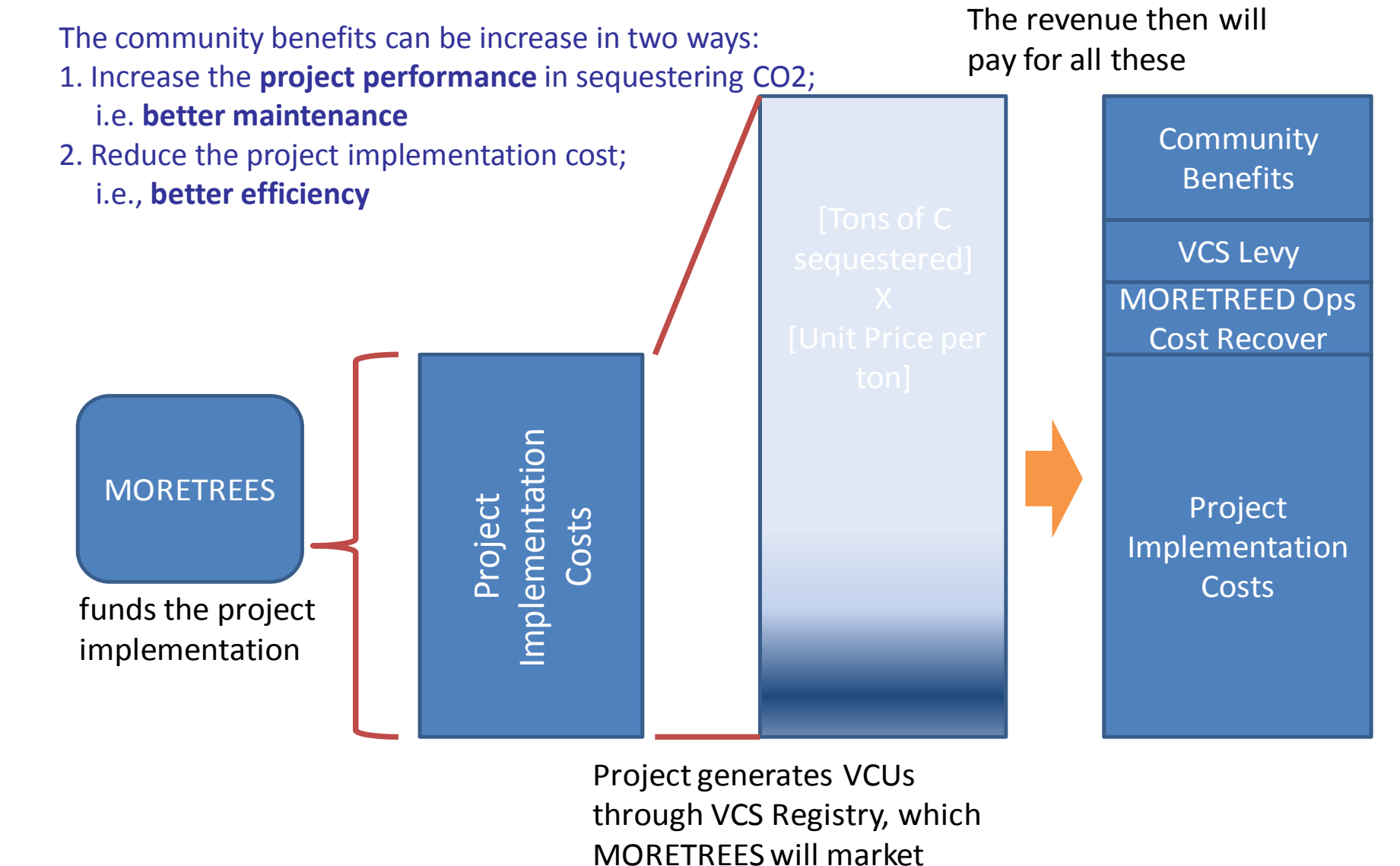
Socio-economic management

- Identifying feasible alternative source of income opportunities for the project participants
- Ensuring agreeable sharing arrangement of benefits that can be derived from the project development

Environmental services management

- Ensuring proper valuation of environmental services for appropriate payments.
- Need to learn cost-effective measurement and monitoring environmental services, including the valuation methodology (e.g. carbon stock calculation, land cover and land-use changes impact assessment, land and soil quality analysis, water quality measurement, biodiversity monitoring).

Socio-economic Arrangements



As project sub-grantee and their counter part, PEDAI shall provide additional livelihood such as vegetable farming, hog & goat raising, food processing and among others.

Trainings shall be regularly provided to the project participants.