

Funding Requirements:

Targets and Activities	Target Budget US\$
1. Experts' PES Workshop	10,000
2. Site-based Scoping, Community Consultations, and Feedbacking	15,000
3. Organization of "Sellers" and "Buyers"	15,000
4. Survey/ Baseline of Ecosystem Services Target setting and Developing Monitoring protocols	35,000
5. Valuation Studies of Ecological Services (includes studies jointly undertaken by the ecologist and PES specialist)	30,000
6. Assessment and Recommendations on Legal/Policy instruments and Institutional Frameworks	15,000
7. Preparation of the PES instrument and PES Plan (e.g. determining what kinds of payments, disbursement modalities)	20,000
8. Development and Production of IEC/ Knowledge Materials	10,000
9. Project Management, Monitoring and Reporting	50,000
TOTAL	200,000

Designing Coastal and Marine-based Payment for Ecosystem Services (PES)

(18 Months)

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CORAL TRIANGLE INITIATIVE
 ON CORAL REEFS, FISHERIES AND FOOD SECURITY



The waters surrounding the site should have potential alternative uses that may earn more revenues for the municipality, e.g cage culture, fishing activities, tourist activities, etc. In most cases, intensive use (increased tourist arrivals, more fisher licenses, more cage licenses) results to increased revenues but this also means that the ecosystem services “aesthetics, beauty, and biodiversity” may be under some threat. In maintaining these ecosystem services, the local government unit is generating benefits to particular stakeholder groups, notably the resort operator.



In addition to providing ecosystem goods such as fish, the coral reefs, mangroves and fisheries also provide an array of ecosystem services (Moberg and Folke, (1999) for coral reefs; Holmlund and Hammer (1999) for fisheries and Barbier et al (2011) for mangroves and the Millennium Ecosystem Assessment (2005) for other ecosystem services). The ecosystem services form part of the indirect or even non-use values of coastal resources. Though not readily valued, the ecosystem service actually contributes to the total economic values as presented for the coral reefs in Bolinao (Trinidad et al 2011) and based on 31 WTP/contingent valuation studies (Brown, undated). Fundamental to PES is for the ecosystem service of interest to be well-defined and that the mechanisms for continuing to improve or provide such service are feasible and within the ambit of a payment scheme.

The proposed Project will design a site-based PES application in one of the coastal municipality in the Philippines. The selection of the municipality will consider the presence of a resort that caters mainly to upscale tourists. The area must showcase ecosystem services which can be “bought” and “sold” on site. These ecosystem services include: aesthetics, recreational enjoyment, and beauty of the place. The management of the municipal waters is with the municipal government, which is by virtue of the Philippines-Fisheries Code and the Local Government Code.

Project Objectives:

The overall objective of the project is to enhance local capacity geared towards the effective management, protection and conservation of coastal and marine resources by compensating those who protect the maintenance of ecosystem services.

Specifically the Project aims to:

1. Bring together PES experts ./ specialists in the Philippines to share experiences on PES design and applications particularly on a coastal and marine environment setting and develop a framework for PES application particularly on a coastal and marine environment setting.
2. Improve knowledge of local stakeholders in coastal areas on the opportunities of PES in providing sustainable financing in support to the management of the coastal and marine resources and environment
3. Design a coastal and marine-based PES application

The Approach:

The proposed project will select one coastal municipality. It local government unit will be the “seller” of the ecosystem service. As provided in the Fisheries Code of the Philippines and Local Government Code , the “ownership” of the ecological services is clear. Private sector partner(s) like a resort will be the “buyer” of the ecological service. A valuation of the ecosystem service may be the opportunity cost of alternative uses of the waters if no limits or targets on these ecosystem services were determined. Measures of beauty, aesthetics, and biodiversity baselines have to be established and targets set as part of the PES arrangement.