

JCM REDD-plus and Afforestation/Reforestation Safeguard Activity Implementation Plan Form

A. Project description

A.1. Title of the JCM project

ARR project in Negros Occidental through the planting of native species

A.2. Description of project contribution to sustainable development

By restoring 12,360 ha of degraded land in Negros Occidental, this project will

- sequester carbon under the JCM framework
- conserve watershed functions and biodiversity of native forest fragments
- generate sustainable livelihoods via local nurseries, planting crews
- enhance rural incomes by employing local people in planting operations and purchasing seedlings from local nurseries
- strengthen community governance and land stewardship, building local capacity for long-term forest management

B. Plans for implementing and monitoring the safeguard activities

Criterion (a) Complement or be consistent with the objectives of relevant laws, policies, programmes and other instruments at national, regional and local levels and relevant international conventions and agreements concluded by Philippines

Current situation (Paragraph 3 (a), Attachment I)

Relevant laws, policies, programmes and other instruments and relevant international conventions and agreements concluded by Philippines, and their objectives

The following laws and their objectives apply to this project:

1. PD 705 (Revised Forestry Code): Foundational framework for forest management, protection and rehabilitation; mandates sustainable use of public forest lands.
2. RA 8371 (Indigenous Peoples' Rights Act (IPRA)): Protects land and cultural rights of Indigenous Peoples (IPs).
3. RA 7586/RA 11038 (National Integrated Protected Area System (NIPAS) Act, Department Administrative Order (DAO) 2019-05): Supports reforestation using native species.
4. RA 7160 (Local Government Code): Devolves forest management functions to Local Government Units (LGUs).

5. RA 9147 (Wildlife Resources Conservation Act): Regulates preservation of Philippine wildlife. 6. RA 9729 (Climate Change Act): Establishes the policy framework for climate change mitigation and adaptation, including ecosystem-based approaches. 7. Philippines' NDC under the UNFCCC: Commits to reducing GHG emissions and enhancing forest carbon sinks through reforestation and sustainable land management. 8. Department of Environment and Natural Resources (DENR) DAO — Sustainable Forest Land Management Agreement (SFLMA) framework: Provides guidelines for sustainable forestland management agreements, enabling long-term, community-based forest rehabilitation and utilization.
Risks, gaps and/or inconsistencies in relation to whether the project activities comply with the criterion (Paragraph 3 (b), Attachment I) <i>Gaps and/or inconsistencies with the objectives and contribution to achieving the objectives</i>
No material gaps are identified. All national and local statutes align with project objectives. Substantive alignment analysis: 1. PD 705: The project's reforestation of degraded land aligns with the policy of continuous protection and rehabilitation of forest lands.. 2. RA 8371: A Certification of Non-Overlap (CNO) from National Commission on Indigenous Peoples (NCIP) will be obtained to ensure no infringement on indigenous territory or ancestral domain. 3. NIPAS Act DAO 2019-05: The project plans to restore degraded land by planting native species such as Narra, Molave. 4. RA 7160: LGUs in Negros Occidental actively enforce forestry ordinances and coordinate with DENR in the project area. 5. RA 9147: The project's focus on native species planting is expected to enhance biodiversity at project sites. 6. RA 9729: The project directly contributes to climate mitigation. 7. NDC: The project will be registered under JCM, directly contributing to the Philippines' NDC commitment. 8. DENR DAO (SFLMA): The project will operate under an SFLMA. Annual compliance monitoring and assessment in coordination with DENR will be conducted. Although, there is a risk that these systems and regulations may be changed as a result of policy revisions.
Plans for safeguards activities (Paragraph 3 (c), Attachment I)

Although no gaps or inconsistencies have been identified under the current legal and policy framework, there remains a risk of future policy or regulatory changes that could affect project implementation or compliance.

To manage this risk, the project will regularly monitor relevant policy and regulatory developments by;

- implementing safeguard activities by conducting regular consultations with the DENR, relevant LGUs, and Indigenous Peoples' representatives to identify, prevent, and address any potential adverse impacts and to ensure their views are reflected in project implementation
- sharing project progress and safeguard-related information with these stakeholders on a regular basis

Plans for monitoring of the situation and the safeguard activity implementation (Paragraph 3 (c), Attachment I)

The project will:

- monitor safeguard implementation by keeping records (e.g., minutes, attendance sheets, agreements) of consultations and engagements, and periodically reviewing whether planned consultations have been conducted as scheduled. These records will be compiled and maintained by the Project Operating Entity, which will also lead a review of implementation at least once per year.
- confirm that the project remains in full legal and regulatory compliance whenever laws or regulations change, and update safeguard measures as necessary to reflect any such changes. The Project Operating Entity will verify at least annually whether there have been any relevant changes to laws or regulations by gathering information from the competent authorities; where changes are identified, they will take the lead in preparing proposed revisions to the safeguard measures and in coordinating their approval and implementation.

Criterion (b) Establish transparent and effective project governance structures

Current situation (Paragraph 3 (a), Attachment I)

Existing project governance structures

a) Decision-making processes

Governance is comprised of:

- Lead Implementer: Marubeni Corporation
- Local Implementing Partner: Sirawai Palm and Rubber Corporation (SPRC/local partner company)
- Project Operating Entity: Negros Agro-forestry and Forest Development Corporation (NAFDC), a joint venture established by Marubeni and SPRC

Marubeni and SPRC jointly serve as the main implementing entities, while NAFDC is responsible for securing land use permits and approvals, and for implementing plantation operations, coordination with local governments, and community engagement. Marubeni leads the preparation and submission of JCM project registration documents and related procedures. Both Marubeni and SPRC second staff to NAFDC to ensure a clear and accountable governance structure.

Within NAFDC, decision-making follows a tiered structure:

- **Weekly Meeting (operational level):**
NAFDC staff (including field coordinators) review weekly progress and resolve day-to-day issues.
- **Management Meeting (monthly):**
NAFDC management reviews performance, allocates resources, and makes key operational decisions.
- **Steering Committee (monthly):**
Representatives from shareholder companies and project managers provide strategic guidance, review safeguards and community-related issues, and ensure alignment with JCM requirements and national policies.
- **Board of Directors Meeting (quarterly):**
Representatives from shareholder companies (including senior/top management) review overall project status and approve major decisions.
- **Shareholders Meeting (annually):**
Shareholder representatives review overall performance, financial reports, and long-term strategy.

b) Consultation, consensus-building and information dissemination processes

NAFDC, under the overall governance of Marubeni and SPRC, conducts regular consultations with national and local governments, local communities, and other stakeholders. SPRC, as the local partner, takes the lead in engagement with government agencies and communities, facilitating consensus-building on project design, land use, and benefit-sharing.

c) Grievance resolution mechanism

A project-level grievance mechanism is established and managed by NAFDC, with oversight from Marubeni and SPRC. In line with NAFDC's Grievance SOP, communities and other stakeholders can submit complaints or concerns through multiple designated channels,

including grievance forms, a dedicated grievance email address, grievance drop boxes located at and outside the NAFDC office, and focal persons such as immediate supervisors and the Community Relations Officer (CRO). Anonymous grievances are accepted where sufficient information is provided to allow investigation.

All grievances are formally recorded in a Grievance Register, assigned a reference number, and subjected to an initial assessment by the CRO. Grievances are then investigated in an objective manner and without retaliation against the complainant, in accordance with the SOP's confidentiality and non-retaliation provisions. The identity and personal information of complainants are disclosed only to persons who need the information for legitimate grievance-management purposes.

Grievances are assessed and addressed within defined internal timeframes for acknowledgement, assessment, investigation, resolution, and closure, and responses are communicated back to complainants using appropriate channels, taking into account confidentiality. Issues that cannot be resolved at field level are escalated to NAFDC management and, where necessary, to the Steering Committee and Board of Directors.

d) Financial management system

Financial management is carried out by NAFDC in accordance with policies and controls agreed by Marubeni and SPRC. NAFDC maintains project accounts, budgeting, disbursement, and financial reporting. Financial statements and budget execution are reviewed at Management Meetings and reported to the Board of Directors and Shareholders Meeting.

e) Benefit-sharing arrangements

Benefit-sharing arrangements between project entities, local communities, and other partners will be defined in agreements overseen by NAFDC under the governance of Marubeni and SPRC. These arrangements may include employment opportunities, capacity building. The majority of project funds will flow to local communities through employment and local procurement: the project plans to hire about 1,000 local residents and source seedlings locally, with approximately 45% of total project costs expected to go directly to local communities in the form of wages for field work and nursery operations and payments for locally procured seedlings and basic inputs.

f) Accountability and oversight

Accountability is ensured through the hierarchical governance structure: NAFDC is the operating entity, overseen by Marubeni and SPRC as shareholders and main implementing entities. Regular meetings (Weekly, Management, Steering Committee, Board of Directors,

and Shareholders) provide multiple layers of oversight on operational, financial, safeguard, and community-related matters.

Risks, gaps and/or inconsistencies in relation to whether the project activities comply with the criterion (Paragraph 3 (b), Attachment I)

Elements of project governance structures that can be strengthened

- Transparency and accountability in decision-making processes
Decision-making within NAFDC follows an Approval Standard Matrix, with significant deviations requiring approval by Joint Venture (JV) party representatives. Under this matrix, approval authority is tiered according to the nature and monetary value of each decision, so that routine, lower-value or operational matters can be approved by on-site managers, while higher-value or more strategic matters are escalated to department heads and, ultimately, to senior management and JV party representatives. While this ensures control, there is a risk that the process becomes time-consuming and may delay timely responses at the field level.
- Provision of information to the public
Although livelihood workshops and household surveys were conducted prior to the project, there is a risk that ongoing information on the project's decision-making framework, oversight, risks and mitigation measures, stakeholder engagement, and Free, Prior, and Informed Consent (FPIC) processes does not systematically reach all stakeholders, particularly in remote barangays.
- Effectiveness of information dissemination (languages and methods)
Local field managers support outreach using local languages, but their limited number poses a risk that information may not reach all communities in a timely and comprehensive manner.
- Grievance resolution mechanism
Existing customary grievance systems may not be sufficient to address cross-community disputes or project-related complaints involving multiple stakeholders.
- Transparency of the financial management system
There is a risk that transparency of cost disbursements at the field level is limited, making it difficult to track actual expenditures and increasing the risk of cost overruns.
- Sufficiency of project oversight
Oversight exists through annual accomplishment reports from SFLMA holders, annual DENR compliance monitoring, and a planned mid-term evaluation. However, there is scope to further systematize internal oversight to ensure that governance gaps are identified and addressed in a timely manner.

Plans for safeguards activities (Paragraph 3 (c), Attachment I)

- Transparency and accountability in decision-making processes
 - Clarify and document decision-making thresholds and delegated authorities within NAFDC to avoid unnecessary escalation and delays.
 - Regularly share summaries of key decisions (e.g., from Management, Steering Committee, and Board of Directors meetings) with relevant stakeholders.
- Provision of information to the public
 - Develop and implement a structured communication plan specifying: target audiences , key messages (project features, decision-making, risks and mitigation, FPIC process), communication channels.
 - Maintain a simple disclosure record (what was shared, when, with whom) to track and demonstrate systematic outreach.
- Effectiveness of information dissemination (languages and methods)
 - Designate and train additional community focal persons to complement field managers in outreach using local languages.
 - Use culturally appropriate methods (e.g., barangay assemblies, local radio, visual materials) alongside written notices.
- Grievance resolution mechanism
 - Establish and disclose a formal grievance mechanism that specifies: eligible complainants, submission channels, acknowledgement and resolution timelines, and appeal steps.
 - Operationalize the planned system and ensure all stakeholders are informed of how to use it.
 - Keep a grievance log and periodically report anonymized summaries and resolutions to relevant governance bodies to ensure transparency and oversight.
- Transparency of the financial management system
 - Introduce simple field-level cost tracking and reporting tools (e.g., monthly summaries of labor and operational expenses by activity).
 - Present summarized financial and budget execution reports regularly at Management and Steering Committee meetings.
- Sufficiency of project oversight
 - Systematize internal oversight through regular governance reviews using defined indicators for safeguards, community engagement, and governance performance.

Plans for monitoring of the situation and the safeguard activity implementation (Paragraph 3 (c), Attachment I)

- NAFDC, under the overall governance of Marubeni and SPRC, will establish a safeguard monitoring framework with clear indicators, responsibilities, and reporting lines for each governance-related safeguard measure.
- Progress on safeguard implementation (e.g., establishment and use of the grievance mechanism, frequency and coverage of community consultations, information disclosure, benefit-sharing implementation, and decision-making transparency) will be reviewed at least quarterly in Management Meetings and the Steering Committee.
- Field managers and community focal persons will keep simple records of outreach activities, grievances received, and responses provided; these will be consolidated by NAFDC's safeguard focal point and reported upward.
- Findings and agreed follow-up actions will be documented in meeting minutes and monitoring reports, and tracked in subsequent review cycles to ensure continuous improvement of project governance and safeguard performance.

Criterion (c) Recognize and respect rights to lands and resources

Current situation (Paragraph 3 (a), Attachment I)

<i>Rights to lands and resources related to the project</i>

The lands related to the project are degraded upland forestlands in the municipalities of Candoni, Hinoba-an, Ilog, Cauayan and Sipalay City, Negros Occidental. These areas fall under the jurisdiction of DENR.
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DENR records confirm that the project area does not overlap with any existing land tenure instruments, such as Certificates of Stewardship Contracts (CSCs), Community-Based Forest Management Agreements (CBFMAs), National Greening Program (NGP) sites, or recognized ancestral domain claims. At present, there is no formal community or private tenure within the project boundaries.
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Project right of use will be secured through SFLMA with DENR, covering the planned project area.

The SFLMA was submitted initially in October 2025, with a revised version reflecting government comments submitted in May 2026, and issuance is expected by September 2026. Under the current MOA, on-the-ground planting activities are permitted; however, formal project registration and approval will require the execution of the SFLMA. The risk that the SFLMA will ultimately not be obtained is considered very low, as the application process is already in progress. In the event of procedural delays, project registration and approval will be

sought only after the SFLMA has been finalized and issued. All relevant customary and statutory laws will be followed in line with the approved SFLMA once obtained.

Through engagement with local communities in and around the project landscape, customary practices such as charcoal-making, kaingin (swidden agriculture), and grazing have been identified in surrounding areas. However, project site assessments indicate that these activities are not currently conducted within the designated project area. As described in Section B.2 (eligibility criteria) of the PDD, a 10-year Normalized Difference Vegetation Index (NDVI) analysis was conducted and showed no significant change in vegetation cover within the planned project area, indicating that charcoal-making and swidden agriculture have not been practiced there. At the stage of field operations, the project will further verify current land use through on-site surveys in line with the Monitoring Structure and Procedure. If active fields, gardens, or other signs of cultivation are identified, those portions will be excluded from the project area. In terms of grazing, surveys will be conducted prior to the first verification as stated in the applied methodology; if grazing is observed within the area, the project will estimate in advance the risk of displacement and address it accordingly.

Risks, gaps and/or inconsistencies in relation to whether the project activities comply with the criterion (Paragraph 3 (b), Attachment I)

Impacts of the project activities on the rights to lands and resources

The project area is classified as public forestland without overlapping tenurial claims, ancestral domains, or private land titles. As such, the project is not anticipated to negatively affect the existing legal of indigenous peoples and local communities to land and resources, and the risk that such customary uses will impede or be displaced by project activities is close to zero.

On the contrary, by securing a long-term, DENR-sanctioned SFLMA and related arrangements, and by formalizing community participation and benefit-sharing, the project is expected to contribute positively to the rights of local communities to use, access, and participate in the management of forestlands. This includes clearer recognition of community roles and rights to share in project benefits under a legally recognized framework.

While extensive initial consultations have been conducted (household surveys, barangay-level Focus Group Discussions (FGDs), and provincial workshops), a structured, ongoing process to inform and seek the views and consent of all community members throughout implementation has not yet been fully institutionalized, which represents a remaining gap to be addressed.

Plans for safeguards activities (Paragraph 3 (c), Attachment I)

Although no significant negative impacts on existing legal or customary rights are currently anticipated, the project will adopt the following measures to prevent and address any potential issues, and to approximate FPIC principles throughout implementation:

- Establish a participatory communication and consultation protocol that ensures:
 - Regular barangay-level assemblies;
 - Use of accessible channels (e.g., SMS, posters, local radio)
- Develop and implement a structured community consent process that goes beyond one-off consultations and clearly sets out:
 - How consent (or lack thereof) will be sought, discussed, and documented;
 - How this consent will be periodically revisited, recorded, and maintained over the 32-year crediting period; and
 - How community feedback will be incorporated into project decisions that affect land and resource use.
- Integrate non-discrimination and inclusion in project operations by:
 - Including non-discrimination clauses in all field contracts and training materials.
- Where any risk of negative impact on other land/resource rights is identified:
 - Establish procedures to jointly review such cases with affected people;
 - Agree in advance on fair and just compensation or alternative arrangements, consistent with national law and good practice; and
 - Monitor follow-up actions and adjust project activities as necessary to avoid or minimize harm.

These measures, together with ongoing community engagement, will form part of the safeguard activity implementation plan and will help ensure that project activities respect, and where possible enhance, the rights of indigenous peoples and local communities to use, access, and manage land and resources.

Plans for monitoring of the situation and the safeguard activity implementation (Paragraph 3 (c), Attachment I)

- Conduct biannual staff and community surveys to assess perceived equity, non-discrimination, and access to project benefits, information, and participation opportunities.
- Regularly review and analyze any discrimination- or land-rights–related complaints received through the grievance mechanism, including response times and resolution outcomes.
- Report key findings and follow-up actions in NAFDC’s regular Management and Steering Committee meetings, and adjust safeguard measures as needed based on the monitoring results.

Criterion (d) Recognize and respect the knowledge and rights of indigenous peoples and members of local communities
Current situation (Paragraph 3 (a), Attachment I) <i>Knowledge and rights of indigenous peoples and members of local communities relevant to the project</i>
The project does not overlap with formally recognized ancestral domains or areas requiring FPIC under Philippine law. Therefore, no indigenous peoples (IPs) with formal land claims are directly affected by the project. However, local communities—including farmers, upland dwellers, and customary land users—maintain customary rights and traditional knowledge relevant to the project. Socio-economic surveys (461 households across 23 barangays) identified: ● customary use of forest resources for fuelwood collection, harvesting of bamboo for household uses, and gathering of timber for construction materials. ● reliance on watershed ecosystems for drinking water and irrigation. ● traditional livelihood practices such as swidden agriculture and grazing in surrounding uplands. ● community-based decision-making through barangay assemblies and purok leaders. ● people in marginalized groups such as landless farmers contribute significantly to livelihood activities and possess valuable knowledge on non-timber products, agroforestry, and disaster resilience practices. These customary rights and local knowledge are highly relevant to the success of the afforestation/reforestation project.
Risks, gaps and/or inconsistencies in relation to whether the project activities comply with the criterion (Paragraph 3 (b), Attachment I) <i>Potential project impacts on rights of indigenous peoples and local communities</i>
The project may have potential impacts on the rights of local communities, particularly in relation to customary land use, participation, and knowledge. While there are no forests or agricultural lands within the project area itself and activities such as fuelwood collection and swidden agriculture are not expected to occur inside the project area, such customary practices may continue in the surrounding uplands and landscapes. If project rules or perceptions of access restrictions are not clearly communicated, local users may feel that their customary livelihood practices are

constrained, which could indirectly affect rights related to livelihoods and resource use.

Inclusive participation is not yet fully ensured, as existing stakeholder processes rely mainly on barangay assemblies, which may underrepresent landless farmers, and other marginalized or vulnerable groups in decision-making and benefit-sharing. In addition, local ecological knowledge (e.g., species suitability, fire management, and identification of water sources) may be underutilized, since technical reforestation planning is largely led by experts (University of the Philippines Los Baños (UPLB), Marubeni, Futures Inc.) and there are limited formal mechanisms to incorporate community knowledge. These gaps could negatively affect the rights, livelihoods, and wellbeing of local community member.

Plans for safeguards activities (Paragraph 3 (c), Attachment I)

Where potential negative impacts on community rights have been identified, the project will adopt the clarification and communication of project rules to avoid unintended restrictions on existing livelihood practices. Where relevant customary uses (e.g., collection of fuelwood or non-timber forest products in surrounding areas, use of water sources) are identified, the project will work with communities and local government units to agree on basic parameters for continued, regulated access compatible with project objectives.

With respect to local ecological knowledge, the project will use planning workshops and field visits to identify and document available community knowledge (e.g., site-specific constraints, observations on fire and water).

Plans for monitoring of the situation and the safeguard activity implementation (Paragraph 3 (c), Attachment I)

Monitoring will focus on both the status of community rights and the implementation of the above safeguard measures. The project will:

- (i) periodically review, together with barangay officials and community representatives, whether project rules are understood and whether any unintended restrictions on livelihood practices have occurred;
- (ii) keep a simple record (e.g., meeting minutes, complaint log) of concerns or grievances related to access and customary uses and how they are addressed;

(iii) document the conduct and outcomes of planning workshops and field visits used to identify local ecological knowledge, including how this information is reflected in site selection and management practices.

Criterion (e) Promote and support the full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities

Current situation (Paragraph 3 (a), Attachment I)

Project stakeholders and their participation

Stakeholders and their participation are as follows:

1. Local communities / households in the four municipalities (including the 461 surveyed households)
 - Participate in livelihood workshops, FGDs, household surveys, and barangay validation workshops.
 - Engage directly in project activities such as planting, maintenance, and community-based monitoring.
 - Use community meetings and feedback mechanisms to raise concerns and help resolve issues during implementation.
2. Municipal and provincial LGUs
 - Co-facilitate livelihood and validation workshops and provide technical and planning support.
 - Participate in coordination meetings to align project activities with local development, land-use, climate, and disaster risk reduction plans.
3. Barangay governments (captains, councils, barangay assemblies)
 - Convene barangay assemblies as the primary venues for information sharing, consultation, and collective decision-making.
 - Participate in identifying target sites and households, prioritizing needs, and scheduling activities at barangay level.
4. Provincial Environment and Natural Resources Office (PENRO)/ Community Environment and Natural Resources Office (CENRO)
 - Participate in project planning workshops and FGDs by providing technical guidance on forest restoration, tenure, and compliance.
 - Co-design and implement monitoring of forest cover, ecosystem indicators, and legal safeguards.

- Provide training to local stakeholders on forest management, mapping, and monitoring tools.
- Endorse or facilitate permits and tenure instruments required for project activities.

5. Forest Management Bureau (FMB)/DENR

- Oversee key JCM processes, including:
 - Review and endorsement of the proposed JCM methodology and project design (PDD) for the forestry component.
 - Coordination with the Philippine JCM Joint Committee and relevant national agencies for project registration and crediting.
- Support SFLMA-related processes by:
 - Providing policy and technical guidance on the use of forestlands under SFLMA (or equivalent tenure/management instruments).
 - Reviewing and endorsing site selection, tenure arrangements, and forest land use plans to ensure legal compliance and alignment with the national Forest Land Use Framework.
 - Coordinating with PENRO/CENRO on the issuance, management, and monitoring of SFLMAs and related tenure instruments.
- Lead or co-lead capacity-building for LGUs, PENRO/CENRO, and community organizations on JCM Monitoring, Reporting and Verification (MRV) requirements, forest carbon monitoring, and SFLMA implementation.

6. UPLB

- Conduct initial technical studies required for the JCM forest restoration project, including: Selection of appropriate native and climate-resilient tree species and site–species matching, Collection of data to support carbon credit calculations (growth rates, biomass factors, soil carbon parameters, etc.), Establishment and documentation of baseline conditions (land use, forest cover, carbon stocks, biodiversity, and ecosystem services).
- Design and implement community consultations to gather local knowledge, validate site conditions, and integrate community preferences into project design.
- Carry out biodiversity surveys, including species inventories, habitat assessment, and identification of conservation priorities.

• Generate and compile other technical and socio-environmental information required for SFLMA applications and for drafting the JCM Project Design Document. • Provide ongoing scientific and technical advice to ensure that restoration design, monitoring plans, and MRV systems meet both JCM and national (DENR/FMB) standards.
Risks, gaps and/or inconsistencies in relation to whether the project activities comply with the criterion (Paragraph 3 (b), Attachment I) <i>Potential to enhance stakeholder participation, including through capacity building</i>
There are no material inconsistencies identified, but several risks and gaps could limit the full and effective participation of stakeholders particularly for local communities, LGUs, and barangay governments: 1. Local communities / households • Risk that language and literacy barriers prevent community members from fully understanding project concepts, processes, rights and responsibilities. • Risk that participation is largely consultative and information-receiving, rather than enabling communities to engage in informed decision-making and monitoring. 2. Municipal and provincial LGUs and barangay governments • Risk that LGUs and barangays mainly perform administrative or endorsing roles, without inclusive participation. • Risk that project-related consultations remain one-off events and are not integrated into regular LGU/barangay planning and budgeting cycles, which could limit continuity of participation and follow-up on community inputs.
Plans for safeguards activities (Paragraph 3 (c), Attachment I)
If the participation of relevant stakeholders, in particular indigenous peoples, local communities can be increased, the project will adopt the following measures and integrate them into the implementation plan of safeguard activities: • Implement a participatory communication protocol that includes: – barangay assemblies, municipal/provincial-level workshops (or equivalent

community meetings) where project progress, safeguards, and benefit-sharing issues are discussed in local languages (e.g. Hiligaynon/Ilonggo). – Accessible updates through posters, community notice boards, SMS groups, and local radio, designed with low-literacy users in mind (use of visuals, simple messages). • Conduct regular training programs for community members—including women, youth, and vulnerable and marginalized groups—on: – Forest monitoring and community-based MRV. – Rights, responsibilities, and grievance mechanisms under SFLMA and project safeguards. These measures will be explicitly incorporated into the safeguard activities implementation plan, with clear responsibilities, timelines, and monitoring indicators.
Plans for monitoring of the situation and the safeguard activity implementation (Paragraph 3 (c), Attachment I)
• Monitor number and frequency of barangay assemblies and municipal/provincial workshops held. • Monitor attendance at meetings and trainings, disaggregated by sex, age (youth/adult), and group (IPs, vulnerable/marginalized households). • Number and nature of grievances/feedback received and resolved. • Record barangay governments and community liaisons attendance, key topics discussed, and follow-up actions for each assembly/workshop. • Assess whether participation opportunities are inclusive and effective. • Identify barriers (language, access, economic constraints) that persist. • Decide on corrective actions (e.g. adjustment of meeting schedules, additional trainings, stronger outreach to underrepresented groups).
Criterion (f) Provide equal employment opportunities and adequate working conditions
Current situation (Paragraph 3 (a), Attachment I) <i>Employment policy, occupational health and safety, wages, training and supervision, and worker grievances</i>
The project's labor management procedures will prioritize local employment, occupational health and safety, fair wages, capacity building, and accessible grievance mechanisms.

Workers will be engaged through direct hiring by the project entity under written employment contracts that comply with Department of Labor and Employment (DOLE) regulations and provide wages at or above the applicable legal minimum, together with all mandatory benefits. Worker management will be based on clear job descriptions, transparent work scheduling and timekeeping, regular supervision and performance feedback, and consistent enforcement of Occupational Health and Safety (OHS) and workplace conduct standards.

Employment will give preference to local households from the 23 barangays in Candoni, Hinoba-an, Ilog, Cauayan and Sipalay, with transparent recruitment and non-discrimination, in line with Philippine labor regulations.

OHS procedures will include provision and mandatory use of Personal Protective Equipment (PPE), task-specific safety briefings, and compliance with the Labor Code of the Philippines and other applicable OHS standards relevant to site preparation, planting, maintenance, and monitoring.

Wages and working conditions will at least meet the applicable legal minimum wage and statutory benefits, with clear information provided to workers on payment terms and conditions of employment.

Training and supervision will be provided to all workers, including induction on project activities, safe work practices, and role-specific skills, and field activities will be overseen by trained supervisors to ensure quality and safety.

A worker grievance process will be established, allowing workers to raise concerns or complaints confidentially and without retaliation; grievances will be documented, reviewed, and addressed in a timely manner, with feedback provided to the complainant.

Risks, gaps and/or inconsistencies in relation to whether the project activities comply with the criterion (Paragraph 3 (b), Attachment I)

Equal employment opportunities and adequate working conditions

Potential risks, gaps and inconsistencies remain regarding full compliance with this criterion.

First, while local households are identified as the primary labor pool, there is no explicit policy to promote equal employment opportunities for women or other

potentially disadvantaged groups, which may result in uneven access to jobs and benefits.

Second, there is no clearly defined process to systematically inform workers of their rights, terms and conditions of employment, and grievance channels, raising the risk of misunderstanding or unequal treatment.

Third, although basic training and supervision are envisaged, there is limited evidence of structured, task-specific training plans for higher-risk activities (e.g. use of tools, steep terrain, transport), which may lead to inconsistent application of safe work practices.

Plans for safeguards activities (Paragraph 3 (c), Attachment I)

To address these risks and gaps, the project will establish the following measures and include them in the safeguard implementation plan.

First, to promote equal employment opportunities for women and other disadvantaged groups, the project will adopt an explicit inclusive hiring policy prioritizing local residents. Given the physical demands of transporting heavy seedlings and planting etc, women or other potentially disadvantaged groups will be preferentially employed in nursery work (e.g. seedling production and tending) and other suitable tasks, with non-discrimination clauses included in recruitment procedures and contractor agreements.

Second, to inform workers of their rights, terms and conditions, and grievance channels, the project will conduct simple orientation sessions before deployment and periodically thereafter. These will explain contracts, wages, working hours, OHS provisions, and grievance processes.

Third, to strengthen job-specific training and supervision, the project will introduce structured but practical training for higher-risk activities. NAFDC will prepare short training materials using photos and illustrations to explain correct planting techniques, tool handling, and safety measures, and will provide periodic safety briefings.

Plans for monitoring of the situation and the safeguard activity implementation (Paragraph 3 (c), Attachment I)

The project will monitor both the employment situation and the implementation of safeguard measures through regular data collection and review.

For employment and equal opportunity, the project will maintain simple records of workers by sex, age group, task type (e.g. nursery work, field work), and barangay of residence.

For awareness of rights and working conditions, attendance sheets will be kept for each worker orientation session. A log of sessions (date, content, trainer, number and profile of participants) will be maintained and reviewed annually.

For training and supervision, the project will keep records of all task-specific training delivered (date, content, trainer, participants). Supervisors will conduct simple periodic field checks and report any issues or incidents. These monitoring results will be compiled and discussed to identify gaps and needed adjustments to safeguard activities.

Criterion (g) Conserve natural forests
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Current situation (Paragraph 3 (a), Attachment I)

<i>Natural forests in the project area</i>
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The project area is located in the municipalities of Candoni, Hinoba-an, Ilog, Cauayan and Sipalay City in Negros Occidental and consists mainly of degraded upland grasslands and brushlands.

Site assessments confirmed that the planned activities are situated outside the remaining natural forests and do not require clearing of existing native forest stands. Any remaining natural forests in the broader landscape are limited and occur as residual native forest patches, which are legally protected under DENR tenure arrangements (e.g., SFLMA) that explicitly prohibit conversion of natural forest.
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The project's afforestation/reforestation interventions are therefore designed to be implemented on non-forest, degraded lands and to contribute to landscape restoration around these remaining natural forest areas, including through the establishment of multi-species, climate-resilient stands with native Philippine tree species such as Narra and Molave.
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Risks, gaps and/or inconsistencies in relation to whether the project activities comply with the criterion (Paragraph 3 (b), Attachment I)

<i>Clearing or disturbance of trees of other natural forest vegetation</i>
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Project activities are not expected to involve the clearing or disturbance of trees or other forest vegetation, as the project does not envisage felling, burning, or the use of heavy machinery, and maintenance will consist solely of manual weeding on degraded grasslands and brushlands.

Site preparation risks to naturally regenerating vegetation are therefore extremely limited.

Infrastructure works are confined to the repair of former forest roads, and the project area has not been forested for at least 10 years, so the risk of disturbing natural forest is minimal.

Potential indirect risks include: (i) biodiversity risk from over-reliance on monoculture species, and (ii) exposure of adjacent natural regeneration patches to fire, charcoal-making, or grazing, as well as increased human access that could facilitate illegal activities.

Plans for safeguards activities (Paragraph 3 (c), Attachment I)

The project does not include activities that involve the clearing or deliberate disturbance of trees or other forest vegetation; site preparation excludes felling, burning, and use of heavy machinery, and maintenance consists only of manual weeding.

Regarding the potential indirect risks, those will be managed through species diversification in planting design, access control protocols, patrol routes that also cover adjacent forest areas, and coordination with DENR forest protection officers.

Plans for monitoring of the situation and the safeguard activity implementation (Paragraph 3 (c), Attachment I)

The project will monitor to ensure that no clearing or deliberate disturbance of trees or other forest vegetation occurs, and that site preparation and maintenance practices remain consistent with the safeguard commitment.

Any deviation from the agreed practices will be recorded, investigated, and corrected, and, if vegetation has been inadvertently disturbed, appropriate rehabilitation measures will be planned and implemented.

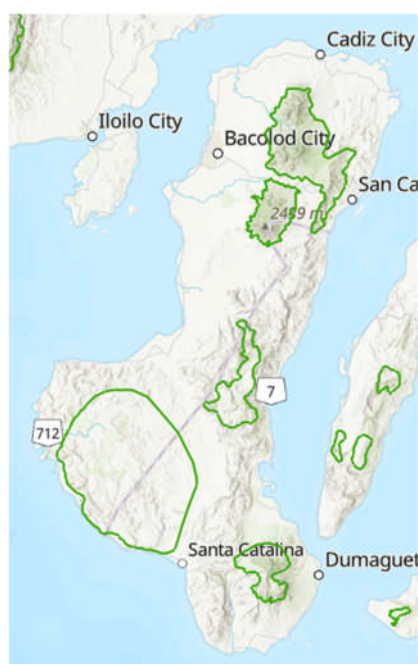
Criterion (h) Respect other prioritized areas that have high values for the conservation of biological diversity and ecosystem services

Current situation (Paragraph 3 (a), Attachment I)

Other areas with high values for the conservation of biological diversity and ecosystem services that could be impacted

This project is an afforestation/forest restoration project mainly targeting the following three sites in Negros Occidental, western Negros Island:

- Site 1: City of Sipalay, Brgy. Manlucahok, Sitio Dungi
- Site 2: Municipality of Hinoba-an, Brgy. San Rafael
- Site 3: Municipality of Candoni, Brgy. Gatuslao, Sitio Kalamunding



Key Biodiversity Area (KBA)
in Negros Island : 

Because Negros Island as a whole forms part of the “Central Western Philippine Islands” and is recognized as a “Key Biodiversity Area (KBA)” with high endemism, and because remnant secondary forests, streams and an agricultural land mosaic extend around the project sites, it is understood that there are high-value areas for biodiversity and ecosystem services not only inside but also adjacent to the project boundaries, as described below.

a) Concentrations of biological diversity (endemic / rare / threatened species)

- Forest patches and remnant secondary forests (particularly around Hinoba-an and Sipalay)
 - A total of 316 bird species have been recorded on Negros Island, of which 58 are endemic. In the present survey alone, 13 of the 36 bird species recorded across the three sites are Philippine endemics.

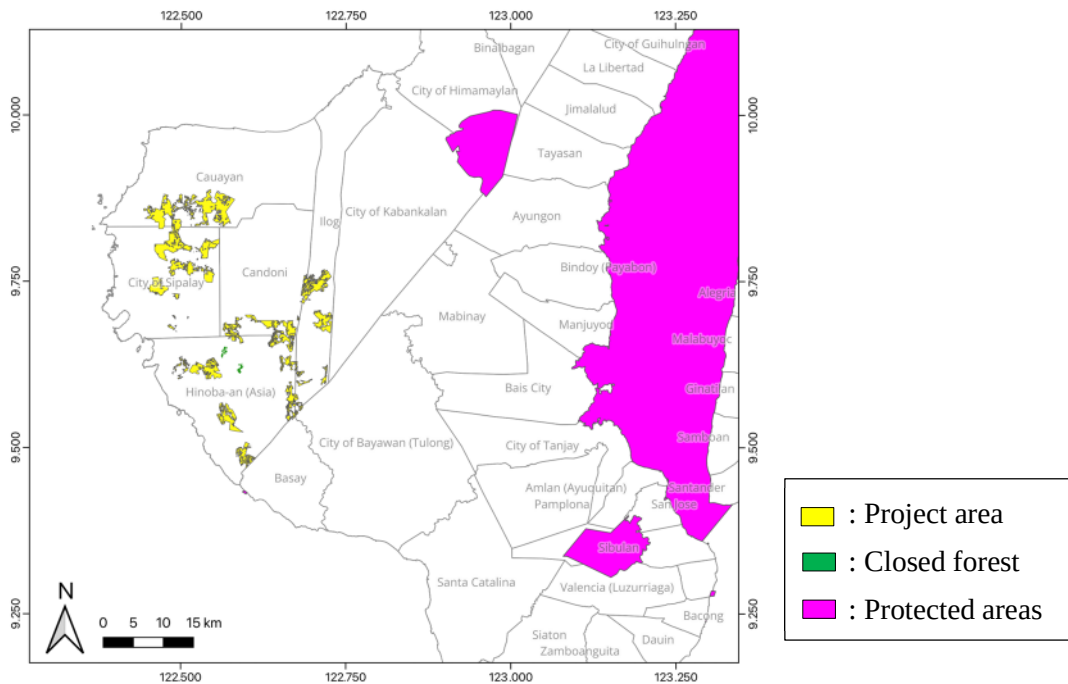
- o The surrounding forest patches provide important habitat for the following endemic and rare species:
 - Philippine endemic birds (e.g. White-eared Brown Dove *Phapitreron leucotis*, Amethyst Brown Dove *P. amethystinus*, Philippine Bulbul *Hypsipetes philippinus*, Philippine Magpie Robin *Copsychus mindanensis*, etc.)
 - Threatened mammal: Visayan warty pig *Sus cebifrons negrinus*
 - Threatened bird: Blue-naped Parrot *Tanygnathus lucionensis*
 - Other rare herpetofauna: Marbled water monitor *Varanus marmoratus*, Green-crested lizard *Bronchocela cristatella*
 - Forest edges and semi-natural agricultural mosaics
 - o Numerous insects have been confirmed, including butterflies (*Ideopsis juvena*, *Hypolimnas bolina*, *Parthenos sylvia*, etc.), beetles (locally characteristic *Metapocyrtus* spp. weevils and other coleopterans) and diverse hemipteran insects, with species composition varying according to vegetation type.
 - o These insect communities contribute to ecosystem services such as pollination, seed dispersal and decomposition, and also act as bioindicators of the health of forest and aquatic environments.
- b) Large-scale landscape-level ecosystems and forest landscapes
- Landscape composed of continuous montane secondary forests and agricultural mosaics
 - o As part of the “Central Western Philippine Islands,” Negros Island is positioned as an important biodiversity hotspot at national and regional levels.
 - o Around the survey areas, montane forest patches, farmlands and settlements form a continuous mosaic. At a broader scale, this functions as movement corridors and foraging habitats for many birds, bats, small mammals, snakes and frogs.
 - o In particular, forest patches around Sipalay and Hinoba-an were reported in previous studies to harbor 28 and 15 herpetofaunal species, respectively, and therefore function as important refugia for species conservation at the landscape level.
- c) Rare and vulnerable ecosystems, habitats and refugia
- Wetland environments associated with streams, small rivers

- o These are habitats for frogs (*Platymantis corrugatus*, *Hylarana erythraea*) and dragonflies/damselflies (*Neurothemis fluctuans*, *Diplacodes trivialis*, etc.), which serve as indicator taxa for water quality and aquatic environments.
 - o Rice paddies and small wetlands also function as feeding grounds for migratory and riparian birds.
 - Forest floor and tree-trunk environments with litter and fallen logs
 - o These provide important refugia for amphibians and reptiles, and for arthropods such as myriapods, spiders and beetles, which form decomposer and predator communities that support soil formation, organic matter decomposition and natural pest control.
- d) Important ecosystem services (especially watershed protection and erosion control)
- Forests, secondary forests and woodlands on footslopes and hillslopes
 - o As this is a region frequently affected by heavy rainfall and typhoons, forests and woodlands provide ecosystem services such as suppression of surface runoff, reduction of soil erosion and landslide risk, and groundwater recharge.
 - o Around the survey areas, farmlands (particularly in the agricultural development zones of Hinoba-an and Candoni) are present, and vegetation in upstream and slope areas plays a role in reducing sediment runoff and flood risks affecting agricultural land and settlements.

Within the delineated project areas, field surveys confirmed that there are currently no intact forests or active croplands, and the sites can be characterized as degraded lands. The dominant vegetation consists of fern-dominated and grass-dominated communities (mainly Poaceae), intermixed with scattered shrubs such as Melastomataceae, with only limited occurrence of pioneer tree saplings. Most areas show little natural forest regeneration to date, suggesting a history of past commercial logging followed by shifting cultivation and repeated burning. Small riparian forest strips remain along some streams, but these are mostly outside the ARR planting blocks and have been subject only to small-scale cutting by local residents. Wildlife observations and literature indicate that the medium- to large-mammal fauna on Negros is relatively species-poor (e.g. wild pig, Philippine long-tailed macaque, Asian palm civet, Philippine palm civet), and no critical breeding or roosting sites were identified inside the current project planting blocks. Satellite imagery and fire alert data (e.g. Copernicus, Global Forest Watch) show that fires within and around the project areas are typically small in size,

patchy, and recurrent in the dry season, consistent with controlled, human-set grassland fires rather than large-scale wildfires.

For reference, the map below shows Closed Forest or Protected around the project area.



(Closed Forest: Formation of trees and undergrowth that cover a high portion (>40 percent) of the ground and do not have a continuous dense grass layer. They are either managed or unmanaged forests, in an advanced state of succession and may have been logged over one or more times, having kept their characteristics of forest stands, possibly with modified structure and composition.

Protected Area: An identified portion of land and water set aside by reason of their unique physical and biological significance, managed to enhance biological diversity, and protected against destructive human exploitation.)

Risks, gaps and/or inconsistencies in relation to whether the project activities comply with the criterion (Paragraph 3 (b), Attachment I)

Impacts of the project activities on biological diversity and ecosystem services in the identified areas

1. Additional habitat fragmentation and degradation
 - If remnant natural vegetation in the vicinity is cleared to expand planting areas, there is a risk of further fragmentation of habitats and movement routes for endemic birds, bats, snakes, frogs and insects.

- If large areas are planted as uniform monoculture, there is a risk of reducing foraging and breeding habitats for species that depend on native trees (e.g. butterflies and beetles that use specific host tree species).
2. Impacts on water and soil environments
 - Civil works on steep slopes may increase surface soil erosion and sediment inflow into streams, which could adversely affect aquatic insects, amphibians and paddy-field ecosystems.
 3. Induced human disturbance and illegal hunting/collecting
 - Increased presence of workers for construction and maintenance may lead to more opportunities for hunting and collecting, raising pressure on threatened species in the area.

Plans for safeguards activities (Paragraph 3 (c), Attachment I)

1. Additional habitat fragmentation and degradation
 - During planting, existing grasslands will be cleared only locally. Grass and weeds will be cut around each planting spot within a radius of approximately 1 m, while the surrounding vegetation will be retained as much as possible to minimize disturbance to the existing ecosystem.
 - The project will avoid monoculture plantations and instead aim to restore multi-layered forest stands using multiple native tree species.
 - The project will give priority to sourcing planting materials (seedlings) from within Negros Island in order to minimize the risk of genetic disturbance. Where seedlings cannot be procured from within Negros Island, sourcing will be limited to other areas within the Visayas region with similar ecological conditions. Procurement will include site visits to nurseries to visually inspect the seedlings and verify nursery practices, as well as interviews with nursery operators to confirm the origin of seed collection areas, so as to avoid introducing non-local genetic material.
2. Impacts on water and soil environments
 - The project will not construct any new access or work roads, nor will it carry out site preparation (mechanical land clearing, grading, etc.) prior to planting. Therefore, additional sediment inflow caused by project activities is not expected.
3. Induced human disturbance and illegal hunting/collecting
 - The project will explain its objectives to all workers employed under the project and to local residents, and will disseminate a clear message not to engage in hunting or collecting of wildlife. This will be done through orientation meetings

as well as posters and other awareness-raising materials. A patrol and reporting system by site supervisors is required so that any suspicious activities can be reported to the LGU and DENR.
Plans for monitoring of the situation and the safeguard activity implementation (Paragraph 3 (c), Attachment I)
1. Additional habitat fragmentation and degradation • Conduct periodic field inspections along project boundaries and within planting blocks to confirm that no remnant natural forest patches, riparian strips, or other high-value habitats have been cleared for planting. 2. Impacts on water and soil environments • Establish simple observation points along streams and on representative slopes to visually monitor signs of increased erosion (e.g. rills, gullies, exposed roots) and sedimentation in waterways downstream of planting areas. 3. Induced human disturbance and illegal hunting/collecting • Require site supervisors and patrol staff to record any sightings or evidence of hunting, wildlife collecting, or other prohibited activities in patrol logs, including date, location, and action taken.

Criterion (i) Generate other social and environmental benefits
Current situation (Paragraph 3 (a), Attachment I)
<i>Living standards in the project vicinity</i>
Communities in and around the project area generally experience low living standards. Many households are poor or low-income and rely primarily on small-scale agriculture and informal employment, with education levels typically limited to elementary or lower-secondary school and upland settlements often depending on untreated surface water. The surrounding environment has been heavily degraded by historical commercial logging, agricultural expansion (especially sugarcane), and road construction, leaving remaining natural forests fragmented and contributing to soil erosion, increased landslide risk, and reported declines in water quality. During the dry season, grassland and forest fires occur repeatedly.
Risks, gaps and/or inconsistencies in relation to whether the project activities comply with the criterion (Paragraph 3 (b), Attachment I) <i>Social and environmental benefits</i>

The project is expected to generate substantial social and environmental benefits in the project vicinity; however, several risks could limit or undermine these benefits:

Social benefits

- Risk that employment opportunities are short-term, irregular, or concentrated among certain groups, resulting in limited or inequitable livelihood benefits.
- Risk that expectations among communities regarding jobs or carbon-related revenues are raised beyond what the project can realistically deliver, leading to dissatisfaction or conflict.

Environmental benefits

- Risk that poor seedling quality, inappropriate species-site matching, or inadequate maintenance lead to low survival rates, reducing expected gains in carbon sequestration, erosion control, and habitat improvement.
- Risk that accidental fires, pest outbreaks, or extreme weather events damage plantations, thereby diminishing long-term ecosystem service benefits.
- Risk that, if planting design and implementation are not properly followed (e.g. insufficient species diversity, excessive clearing of existing vegetation), intended biodiversity and watershed benefits may not be fully realized.

Plans for safeguards activities (Paragraph 3 (c), Attachment I)

To manage the identified risks that could limit or undermine social and environmental benefits, the project will:

- Develop and implement a participatory benefit-sharing framework through consultations with communities, DENR, LGUs and other stakeholders. This framework will:
 - clearly define main benefit types (employment),
 - include simple, transparent procedures for recruitment and selection to avoid concentration of jobs among particular sites or groups,
 - provide advance project information in local languages to manage expectations regarding job numbers, duration.
- Conduct regular community meetings to explain timelines, benefit flows, and to address grievances related to employment or perceived inequities.

• Apply strict nursery and planting protocols (seedling quality standards, species–site matching guidelines, minimum maintenance requirements) to reduce the risk of low survival and underperformance. • Plant native species and avoid monocultures to enhance biodiversity and watershed services. • Establish and maintain fire breaks, basic fire-prevention measures.
Plans for monitoring of the situation and the safeguard activity implementation (Paragraph 3 (c), Attachment I)
• Conduct annual livelihood monitoring, recording income and employment generated by project activities and related enterprises, including: • number of people employed, disaggregated by sex, age group, municipality/barangay • duration and type of employment (nursery, planting, maintenance, monitoring) • summary of community feedback and grievances related to benefits or expectations. • Monitor plantation establishment and performance quarterly, including: survival rates, growth.. • Record and analyze incidents of fire, pest outbreaks, or significant weather damage, and track follow-up measures taken, to inform adaptive management of safeguards and field practices.

Criterion (j) Address the risks of reversals
Current situation (Paragraph 3 (a), Attachment I)
<i>Risks of reversals</i>
The project faces several risks of reversals associated with its afforestation and reforestation activities on 12,360 ha of degraded uplands. Fire risk is significant, as upland grasslands become highly flammable in the dry season and fires started by neighbouring residents can easily spread into ARR sites. Agricultural and land-use pressure from continued expansion of crops (especially sugarcane) and charcoal production may result in renewed clearing or degradation of replanted areas. Climate-related risks are high because Negros Occidental is regularly affected by tropical storms and typhoons (e.g. Typhoon Odette in 2021), which can cause windthrow and damage to young plantations.

There is also a risk of reforestation failure if poor soil conditions or species–site mismatches lead to low early seedling survival.

Financial and operational continuity risk exists in the event that NAFDC or its shareholders face difficulties that constrain essential maintenance and protection activities.

To partially address non-permanence risk, a buffer rate of at least 15% is applied to project net removals credited under the JCM Guidelines.

Risks, gaps and/or inconsistencies in relation to whether the project activities comply with the criterion (Paragraph 3 (b), Attachment I)

Project activities to reduce risk of reversals and expected effectiveness

The project faces several key reversal and continuity risks:

- Fire risk: Grassland and surrounding areas are prone to dry-season fires, which could enter project sites and cause partial or extensive damage, especially during extreme weather events.
- Agricultural and land-use pressure: Conversion pressure from agriculture, grazing, and other land uses may persist or intensify under sharp market or demographic changes, leading to encroachment into ARR areas.
- Climate-related risks: Droughts, storms, landslides, pest and diseases, and other climate anomalies may reduce survival and growth, or cause localized plantation failure.
- Reforestation failure risk: Inappropriate species–site matching, poor seedling quality, or inadequate tending in the first years could result in low survival and understocked stands, particularly on poorer sites.
- Financial, operational, and conflict risks: Disruptions in financing, changes in corporate or political priorities, or unresolved conflicts with stakeholders could jeopardize long-term management and maintenance.

Plans for safeguards activities (Paragraph 3 (c), Attachment I)

To address these risks, the project will implement the following safeguard measures:

- Fire risk
 - Establish and maintain year-round patrols and community-based fire monitoring in and around project areas.
 - Conduct regular awareness activities and provide guidance on safer burning practices during the dry season.

- Agricultural and land-use pressure
 - Apply land-use zoning to clearly demarcate ARR areas and buffer zones.
 - Secure and implement DENR tenure arrangements (e.g. SFLMA) to strengthen long-term protection of ARR areas.
- Climate-related risks
 - Use mixed-species, climate-resilient planting designs, with particular attention to slopes and riparian zones.
 - Implement soil and water conservation measures to support resilience and recovery after extreme events.
- Reforestation failure risk
 - Apply site-specific species selection and nursery quality standards.
 - Conduct intensive tending (weeding, replacement planting) in the first 3–5 years to achieve target survival rates (around 70–80% or higher), with additional support on poorer sites as needed.
- Financial, operational, and conflict risks
 - Follow a long-term business plan with clear division of roles among multiple entities to support operational continuity.
 - Hold regular information meetings and operate a grievance mechanism to identify and resolve issues early, thereby reducing conflict-related disruption.

Plans for monitoring of the situation and the safeguard activity implementation (Paragraph 3 (c), Attachment I)

The project will monitor both the risk situation and the implementation of reversal-risk safeguards.

Fire risk and control measures will be monitored through patrol logs maintained by NAFDC staff. Fire incidents (location, size, cause, damage) will be recorded and reviewed to assess the effectiveness of fire prevention and response.

Agricultural and land-use pressure will be tracked through annual field checks and mapping of land use within ARR areas (e.g. new clearings, sugarcane expansion, charcoal kilns). Results will be discussed with DENR and LGUs to verify compliance with tenure and zoning agreements and to decide on any corrective measures.

Climate and reforestation performance will be monitored via standard plantation monitoring: annual survival and growth assessments in sample plots, with particular attention to blocks affected by storms or drought. Monitoring results will be used to adjust species selection and tending practices and to trigger replanting where needed.

Financial and operational continuity safeguards (e.g. implementation of business plan, allocation of maintenance budgets) will be reviewed internally.

Conflict and grievance risks will be monitored through records of community meetings, grievance submissions, and resolutions. Data will be disaggregated by community and issue type and reviewed to identify recurring problems and needed adjustments to benefit-sharing, communication, or access management.

Criterion (k) Reduce the risks of emissions displacement
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Current situation (Paragraph 3 (a), Attachment I)

<i>Risks of emissions displacement</i>
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Under the applied JCM forest methodology, the potential sources of emissions displacement (leakage) are identified as: (i) agricultural land use, (ii) fuelwood/timber collection, and (iii) grazing.

Within the SFLMA concession area, an ARR-eligible area of 12,360 ha was first delineated using the 2015 and 2025 National Mapping and Resource Information Authority (NAMRIA) land-cover maps, consistent with the forest definition in the approved methodology. Based on this analysis, agricultural land, existing open forest, areas with forest gain, forest loss or maintained forest, wetlands (inland water), and built-up areas were identified and excluded so that the resulting ARR project area contains only Brush/Shrubs and Grassland classes. Based on this analysis, agricultural land and forest areas were excluded from the project boundary during site selection. Since no agricultural production or wood harvesting is displaced from within the project area, no leakage is expected for these components. Grazing is the only activity for which some residual risk of displacement cannot be entirely ruled out.
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Risks, gaps and/or inconsistencies in relation to whether the project activities comply with the criterion (Paragraph 3 (b), Attachment I)
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<i>Project activities to reduce risk of emissions displacement and expected effectiveness</i>

Under the applied methodology, agricultural land use and fuelwood/timber collection are not treated as leakage sources for this project because these activities were not

present within the project boundary at project start.

The main residual leakage risk is grazing-related emissions displacement. If grazing currently occurring within the project area were pushed outside the boundary due to plantation establishment, there would be a risk that new areas could be cleared or degraded for grazing, causing emissions outside the project area.

Plans for safeguards activities (Paragraph 3 (c), Attachment I)

Grazing-related leakage is the main residual risk of emissions displacement under this project. To manage this risk, the project will implement the following measures:

- Maintain controlled grazing within the project area by not fully eliminating grasslands: grass will be retained except in the immediate vicinity (around 1 m radius) of planted trees, so that local livestock can continue to graze while trees establish, reducing pressure to shift grazing outside the boundary.
- Before the first verification, conduct interviews and consultations with community members and livestock owners to document:
 - current grazing locations,
 - herd sizes and movement routes,
 - any seasonal or year-to-year changes in grazing patterns.
- For activity shifting more broadly, the project will develop community agreements banning destructive practices (e.g. clearing, charcoal-making) in the project areas and support barangay-level enforcement of these rules.

Plans for monitoring of the situation and the safeguard activity implementation (Paragraph 3 (c), Attachment I)

The project will monitor both the risk of emissions displacement and the implementation of the above safeguard measures.

For activity shifting from grazing, the project will document all consultations and interviews with livestock owners, including summaries of grazing patterns and agreed measures. Once per year, project staff will conduct brief follow-up interviews and field observations along common grazing routes to detect any shift of grazing outside the project boundary. Findings will be integrated into the project's MRV/leakage assessment and used to adjust community agreements or support measures where necessary.

Version	Date	Contents revised
ver01.0	14/9/2026	Initial version