



PHILIPPINES' READINESS IN THE VOLUNTARY FOREST CARBON MARKET ROADMAP 2026-2030



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The AGCF Project aims to increase private sector investments into gender-responsive nature-based solutions (NBS) for climate-resilient technologies, innovations, practices, and approaches—supporting a just transition to resilient and low-emission development that sustains nature and ecosystems while protecting the rights of all who are affected and at risk.

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Glossary of Terms

- **ADB – Asian Development Bank:** A multilateral development bank that provides financial and technical assistance to countries in the Asia-Pacific region to promote sustainable development.
- **AFOLU – Agriculture, Forestry, and Other Land Use:** A category in greenhouse gas accounting that refers to emissions and removals from agriculture, forestry, and land-use activities.
- **ARTICLE 6** - Article 6 of the Paris Agreement establishes voluntary cooperation rules on transferable mitigation outcomes (6.2), a UN-supervised crediting mechanism (6.4), and non-market approaches (6.8), all aiming to raise ambition, ensure environmental integrity, and advance sustainable development. References in this document pertain specifically to the implementation of Article 6.2.
- **BARMM – Bangsamoro Autonomous Region in Muslim Mindanao:** A region in the southern Philippines with a high degree of self-governance, where forest carbon projects may be implemented under regional-specific guidelines.
- **BCX – Bursa Carbon Exchange:** Malaysia’s government-backed voluntary carbon trading market, managed by Bursa Malaysia, launched as a regional initiative to facilitate carbon credit transactions.
- **BMB – Biodiversity Management Bureau:** A bureau under the DENR responsible for conserving biodiversity in the Philippines, involved in policies and projects related to management of protected areas.
- **CAVCS – Carbon Accounting, Verification, and Certification System:** A national carbon registry system under DENR designed to track carbon projects and credits, ensuring transparency and integrity in accounting for emissions reductions and removals.
- **CBFM – Community-Based Forest Management:** A Philippine forest management strategy that empowers local communities to sustainably manage forest resources, including participating in any benefit-sharing from carbon projects.
- **CCC – Climate Change Commission:** The Philippines’ lead policy-making body on climate change, responsible for coordinating climate action plans, including oversight of greenhouse gas mitigation efforts.
- **CCS – Climate Change Service:** A unit within DENR focused on integrating climate change considerations into the agency’s policies, programs, and

projects, and coordinating active participation and monitoring agency commitments to the Paris Agreement.

- **CDM – Clean Development Mechanism:** A carbon finance mechanism under the Kyoto Protocol that allowed developed countries to fund emissions-reduction projects in developing countries and receive carbon credits (Certified Emission Reductions) in return.
- **CEPA – Communication, Education, and Public Awareness:** Programs aimed at raising awareness and knowledge, enabling stakeholders to engage in climate change initiatives and carbon market opportunities.
- **DAO – Department Administrative Order:** An administrative issuance by a Philippine government department (such as DENR) that provides rules or guidelines on specific subjects (e.g., forest carbon project implementation).
- **DENR – Department of Environment and Natural Resources:** The primary government agency responsible for the conservation, management, and development of the Philippines' environment and natural resources, including forests.
- **DILG – Department of the Interior and Local Government:** The government agency that supervises local government units (provinces, cities, municipalities) and ensures they have the capacity to deliver services; relevant for mobilizing LGUs in local climate and forest initiatives.
- **DOE – Department of Energy:** The government agency in charge of energy policy and programs; in climate context, involved in carbon market efforts for energy-related projects.
- **DOF – Department of Finance:** The government agency responsible for fiscal policy, revenue generation, and financial regulations; a key player in developing financing mechanisms and international agreements for carbon markets.
- **EO – Executive Order:** A directive issued by the President of the Philippines that has the force of law, often used to establish new policies or task government agencies with specific mandates (e.g., guiding forest carbon market implementation).
- **FPIC – Free, Prior, and Informed Consent:** A principle and process that ensures indigenous peoples and local communities have the right to give or withhold consent to projects that may affect their lands and livelihoods, after being fully informed and before any activity starts.
- **FMB – Forest Management Bureau:** A bureau of DENR tasked with sustainable management of forest lands and implementation of forestry policies and programs.

- **FOLU – Forestry and Other Land Use:** A category in greenhouse gas inventories (often used interchangeably with AFOLU in context of NDCs) focusing on emissions and removals from forests and land-use change.
- **FREL – Forest Reference Emission Level:** A benchmark for a country's emissions from deforestation and forest degradation, used under REDD+ to measure performance in reducing emissions against a reference scenario.
- **GHG – Greenhouse Gases:** Gases such as carbon dioxide, methane, and nitrous oxide that trap heat in the atmosphere and contribute to global warming and climate change.
- **IFMA – Industrial Forest Management Agreement:** A contract between DENR and a private entity granting rights to manage and use a tract of forest land for 25 years (renewable), often including reforestation and potentially carbon credit generation activities.
- **IPRA – Indigenous Peoples' Rights Act:** Republic Act 8371 (1997), a law that recognizes and protects the rights of Indigenous Cultural Communities/Indigenous Peoples, including rights to ancestral domains and compliance with FPIC for projects.
- **JCM – Joint Crediting Mechanism:** A bilateral carbon market mechanism between the government of Japan and partner countries (including the Philippines) that credits emissions reductions from projects implementing low-carbon technologies, overseen by a joint committee.
- **LGUs – Local Government Units:** Political subdivisions (provinces, cities, municipalities, barangays) that govern at local levels; LGUs play a role in endorsing and assisting local forest carbon projects and integrating them into local development plans.
- **MRV – Monitoring, Reporting, and Verification:** A systematic process to accurately monitor emissions reductions or removals, report them in a transparent manner, and verify the results through independent review – critical for the credibility of carbon projects.
- **NAMRIA – National Mapping and Resource Information Authority:** The Philippine government agency responsible for mapping and geospatial information, providing data such as land cover maps that support forest monitoring and carbon accounting.
- **Philippines National Blue Carbon Roadmap:** The policy framework necessary for the development of blue carbon projects, such as those for mangrove and seagrass bed restoration.
- **NCIP – National Commission on Indigenous Peoples:** The agency mandated to protect the rights of indigenous peoples, oversee the implementation of the IPRA, including overseeing FPIC processes and

ensuring indigenous communities benefit from projects on their lands.

- **NDC – Nationally Determined Contribution:** The climate action plan each country submits under the Paris Agreement, detailing targets for greenhouse gas emissions reduction and adaptation efforts. The Philippines' NDC includes economy-wide targets and is being updated to potentially incorporate forestry.
- **NIPAS – National Integrated Protected Areas System:** The legal framework (Republic Act 7586 and its amendment RA 11038) for managing and protecting designated protected areas in the Philippines; relevant to forest carbon as many projects may take place in or around protected forests.
- **PPP – Public-Private Partnership:** A collaborative agreement between government and the private sector for financing and implementing projects. In context, the new PPP Act (RA 11966 of 2023) encourages private investment in projects including those with environmental and carbon components.
- **REDD+ – Reducing Emissions from Deforestation and Forest Degradation (plus conservation, sustainable management of forests, and enhancement of forest carbon stocks):** A UNFCCC framework for developing nations to secure results-based finance by reducing deforestation and forest degradation, conserving forests, sustainably managing them, and enhancing carbon stocks at national or sub-national scale. This Roadmap will not refer to REDD+ as a voluntary-market project methodology unless otherwise specified.
- **SFLMA – Sustainable Forest Land Management Agreement:** A production sharing agreement between the DENR and a qualified applicant over a parcel of forest land to undertake Sustainable Forest Management for a period of 25 years, renewable for another 25 years, subject to the result of the performance evaluation.
- **UNDP – United Nations Development Programme:** A UN agency that provides technical assistance and funding to support countries in development goals, including climate change mitigation and adaptation initiatives such as this forest carbon readiness roadmap.
- **VCM – Voluntary Carbon Market:** A market in which private entities, organizations, or individuals voluntarily purchase carbon credits (offsets) to compensate for their emissions. Credits in the VCM are typically generated by projects that reduce or remove GHG emissions outside of regulated compliance markets.

Executive Summary

The **Philippines' Roadmap to Readiness in the Voluntary Forest Carbon Market (2026–2030)** provides a strategic framework to enable the country's active participation in the Voluntary Forest Carbon Market (VCM), positioning its forests as vital assets in the global fight against climate change. As one of the world's most climate-vulnerable nations, the Philippines recognizes the importance of leveraging its forest ecosystems to absorb carbon dioxide while promoting sustainable land use and socio-economic development. This high-level roadmap identifies critical gaps in policy, institutional capacity, data infrastructure, and financing mechanisms, and outlines a clear path to strengthen the country's readiness for forest carbon initiatives. By addressing these gaps, the Philippines will be better positioned to meet its national climate goals and capitalize on emerging carbon market opportunities.

Key Priority Areas: The roadmap focuses on four priority areas to build forest carbon market readiness:

1. Policy Framework for VCM Engagement:

Finalize and operationalize the enabling policies for forest carbon projects. This includes the issuance of a Department Administrative Order (DAO) entitled "Guidelines Governing the Establishment, Registration, and Monitoring of Voluntary Forest Carbon Credit Projects in Forest Lands, Protected Areas under NIPAS, and Ancestral Lands/Domains," and an Executive Order (EO) designating the DENR as the National Authority for Article 6 of the Paris Agreement and the Voluntary Carbon Market. As a separate overarching policy framework, a national Article 6 strategy called Blueprint for the Philippine Carbon Market Policy Framework is being developed as an umbrella policy to cover **all** carbon credits generated in the country through Technical Assistance from the ADB. With respect to this, the Article 6 strategy will be crafted to ensure alignment with the forest sector specific policies mentioned above.

Once established, the policies will form an enabling environment for the Voluntary Forest Carbon Markets (VCM) in the Philippines. The policy issuances are designed to indicate the fundamental rules and guidelines for project development, address carbon credit ownership issues, mandate benefit-sharing requirements, and enable generation of verified carbon credits. A clear policy framework will ensure regulatory clarity, define carbon rights, and ensure forest carbon initiatives align with national climate commitments and safeguards (e.g., Free, Prior, and Informed Consent and environmental standards).

2. Data Analytics, MRV, and Carbon Registry Systems:

Establish robust monitoring, reporting, and verification (MRV) systems and a **DENR Forest Carbon Credit Database** to track all forest carbon projects and credits in the Philippines.

Deploying modern technologies for data collection (such as satellite-based forest monitoring and GIS databases) combined with development of the **Forest Spatial Dataset Portal** and the **National Forest Monitoring System (NFMS)** will form the core components of the DENR's information network for forest carbon. The adoption of accurate and transparent data systems will serve to enhance credibility and enable integration of the Philippines' forest carbon data collection efforts with those of international registries and the national greenhouse gas accounting system.

3. **Institutional Mechanisms and Capacity Building:**

Strengthen the capacities of government agencies, local government units (LGUs), communities, and other stakeholders to effectively implement and oversee forest carbon projects.

Establishing a government body to proactively harness the opportunities presented through carbon finance entails convening the inter-agency technical working group for carbon markets under leadership of the DENR with the DOF, CCC, DOE, DILG, DA, DOTr, DEPDev and DTI.

Within the DENR, the creation of training programs and partnerships with academic institutions to build technical expertise will be required, particularly in carbon accounting, project development, and climate finance.

4. **Sustainable Financing and Market Development:**

Develop a sustainable financing model to support forest carbon initiatives, mobilize domestic resources, and attract private investment, including exploring revenue recycling and dedicated Trust Funds.

Over a five-year timeframe, **2026 to 2030**, the roadmap lays out phased targets and activities under each priority area. A mid-term review in **2028** will assess progress and allow for course correction, and a final evaluation in **2030** will measure accomplishments and remaining gaps. The DENR will lead the roadmap's implementation, coordinating inputs from other government agencies, development partners, the private sector, and civil society. As the Philippines engages with the VCM, this roadmap serves as a guiding framework to ensure readiness, resilience, and long-term success in leveraging forests for climate mitigation and sustainable development.

I. Introduction

Climate change is one of the greatest challenges of our time, acting as a catalyst for environmental and socio-economic instability. Over the past three decades, the global community has launched concerted efforts to mitigate climate change – from the United Nations Framework Convention on Climate Change (1992), to the Kyoto Protocol (1997), and most recently the Paris Agreement (2015) which aims to limit global temperature rise to 1.5°C above pre-industrial levels. Despite these efforts, current pledges and investments are insufficient. The latest assessments show a significant shortfall in the trillions of dollars needed to meet global climate targets by 2030, prompting countries to explore carbon markets and other innovative mechanisms to bridge the gap.

The Philippines, as one of the most climate-vulnerable countries in the world, faces considerable risks from climate change. It is projected that the nation could incur an average of ₱171 billion (approximately USD 3.5 billion) in annual losses to public and private assets due to intensified disasters and climate impacts. Protecting and enhancing the country's forests is a critical strategy for mitigating these risks. With an estimated **7.23 million hectares of remaining forest cover** (about 24% of land area), the Philippines' forests serve as vital carbon sinks and buffers against extreme weather. These forests – roughly one-third closed canopy and two-thirds open forest – not only sequester carbon dioxide but also provide co-benefits such as biodiversity conservation, watershed protection, soil stabilization, and support for livelihoods and cultural values.

However, financing for forest-based climate solutions has been far below what is needed. Globally, only around USD 2.2 billion is invested in forests each year, against an estimated need of over USD 450 billion per year to achieve international forest and climate goals. This stark **forest finance gap** underscores the urgency of mobilizing new sources of funding. Carbon finance, particularly through the Voluntary Carbon Market (where forest carbon credits can be sold to companies or individuals aiming to offset emissions), presents an opportunity to channel additional resources into forest protection and restoration. By treating forest carbon sequestration as a service with economic value, the Philippines can attract investment for sustainable forest management while contributing to global emission-reduction efforts.

The Voluntary Carbon Market itself has grown rapidly in recent years, albeit remaining smaller than regulated compliance markets. In 2021, the global VCM's primary market value reached around USD 1 billion (quadrupling from the previous year), indicating surging demand for carbon credits. While growth has fluctuated with economic conditions and policy signals, long-term demand for voluntary offsets is expected to keep rising and may outpace supply in the coming decade. Recognizing this trend, many countries in Asia are positioning themselves to benefit.

Neighboring nations have begun establishing the necessary infrastructure: *Malaysia* launched a government-backed carbon exchange (BCX) for trading credits; *Thailand* issued rules for carbon trading and set up its first voluntary exchange; and *Cambodia* has generated significant revenue (over USD 11 million between 2016 and

2020) by selling forest carbon credits from its protected areas. These examples illustrate both the potential gains and the need for sound governance, as the VCM remains sensitive to market dynamics and public perception.

Like its regional neighbors, the **Philippines is now preparing to engage more deeply with carbon markets**, including those under Article 6 of the Paris Agreement which facilitate international transfer of mitigation outcomes. In recent years, the country has made progress in drafting policies, piloting projects, and building institutional capacity related to carbon financing. Nevertheless, gaps remain in areas such as clear policy guidance, data systems, and on-ground experience. This **Roadmap 2026–2030** is a response to those needs – providing a focused plan to strengthen the Philippines’ readiness to participate in the forest carbon market. By addressing policy and technical gaps and enhancing coordination, the roadmap aims to ensure that the Philippines can effectively harness carbon market opportunities to support its climate goals and pursue sustainable development, while safeguarding environmental integrity and community rights.

II. Purpose and Scope

The **Philippines’ Forest Carbon Market Readiness Roadmap (2026-2030)** is a five-year strategic plan to enhance the country’s capacity to develop and benefit from forest carbon projects under the Voluntary Carbon Markets (VCM). It is designed as a government-led and stakeholder inclusive framework that outlines priority actions, targets, and timelines needed to create an enabling environment to attract forest carbon investments into the country. The roadmap builds upon existing government initiatives and policies, including climate change plans and ongoing regulatory processes, and integrates insights from analyses and stakeholder consultations. By doing so, it aligns action with the efforts already underway and avoids duplication.

The Roadmap envisions the Philippines to become a desirable investment destination for high-quality, high-integrity forest carbon removal projects. It will be grounded in internationally recognized best practices, including alignment with the Integrity Council for the Voluntary Carbon Market (ICVCM) Core Carbon Principles, to ensure transparency, environmental integrity, additionality, permanence, and genuine climate benefits.

In scope, the roadmap addresses the foundational elements necessary for a functioning carbon market for forestry in the Philippines: establishing clear policies and definitions, strengthening technical systems for measurement and reporting, improving institutional coordination and skills, assisting the development of carbon market infrastructure and securing sustainable financing for reforestation efforts. It emphasizes both near-term actions (policy issuances, system development, capacity building in the first 2–3 years) and longer-term measures (scaling up finance, refining systems by 2028–2029) to ensure continuous improvement. The roadmap is not a single project or law, but rather a coordinated set of policy interventions enacted by the DENR in coordination with other government agencies that will be monitored and adjusted over the implementation period. Progress will be reviewed

at key milestones, notably a mid-term assessment in 2028, to inform any necessary course corrections.

By 2027, the aim is to have an operational framework in place whereby forest carbon initiatives can generate verified carbon credits in the Philippines and such credits are recognized in the national registry. By 2028, the aim is to have a fully operational framework in place, one that allows for the international trade of carbon credits featuring streamlined processes that enable international transactions, contributing significantly to both national and global climate targets.

III. **Key Priority Areas**

Under this roadmap, the government has identified four **Priority Areas** that capture the strategic directions for building readiness. For each area, the roadmap defines specific objectives and activities (detailed in a later section), which collectively address the gaps identified in the stocktaking process. The priority areas are:

1. **Policy Framework for Engagement in the VCM:**

It is necessary to establish a clear and comprehensive policy and regulatory environment for forest carbon projects. The key policy actions to enable this framework are:

a. **Executive Order Directing the Formulation and Development of the Philippine Carbon Market Policy Framework, and Designating the DENR as the Focal Agency;**

The salient feature of the EO is to designate the DENR as the focal agency to lead the development and formulation of the Philippine carbon market policy framework for participation in Article 6 of the Paris Agreement and in the Voluntary Carbon Market. The appointment of the focal agency is a key step towards enabling participation in **international** carbon markets. Establishing the connection to international markets would allow the full potential of the voluntary carbon market to be realized. With a designated government entity, the prerequisite to have a national focal point for the Philippines under Article 6 would be achieved. As the Focal Agency, the DENR would be well positioned to lead the formulation of internal rules and regulations (IRR) that can guide policy development and initiatives across various Government agencies. This can also serve as an entry point for potential carbon market participants about general rules and guidance for their proposed activities.

Utilizing the EO presents the opportunity to introduce fundamental concepts that can be beneficial to the Philippine carbon market or missing from the current body of legislature, such as carbon rights, corresponding adjustments, and principles such as additionality and permanence.

Additionally, the EO could take steps to define carbon rights and ownership. In the absence of a law on carbon rights, the EO can provide an interpretation of carbon rights such that carbon project developers can generate, obtain and transfer credits, which has historically been a bottleneck for forest carbon projects.

Through its issuance, the EO seeks to provide clarity to potential project developers and all parties seeking authorized credit issuances about the relevant agencies that must be coordinated with, and requirements that must be met.

Through such measures, the structure for a comprehensive regulatory framework can begin to take shape. A plan to craft and refine these legislative elements may be proposed through the Article 6 Policy Framework, and in consultation with the World Bank Study under DOF. The proposed plan would strive to ensure consistency with national policy objectives while maintaining the Philippines' attractiveness as an investment destination.

b. Department Administrative Order (AO) on Guidelines Governing the Establishment, Registration, and Monitoring of Forest Carbon Credit Projects in Forest Lands, Protected Areas under NIPAS, and Ancestral Lands/Domains;

The DAO to be issued in 2025 essentially aims for the creation of a policy to enable carbon credit generating projects on forest lands, Protected Areas under NIPAS, and Ancestral Lands/Domain. The envisioned salient features include:

- i. **Robust Procedural Framework and Transparency.** The DAO establishes the DENR Forest Carbon Credit Database as the central repository for all projects. It mandates a Unique Identification and Serial Numbering System for every project and carbon credit to guarantee traceability, prevent double-counting, and ensure full visibility of credit ownership and transfers.
- ii. **Financial and Technical Integrity.** To prevent speculation and ensure project viability, the policy imposes strict financial capacity requirements and mandates the formulation of Capitalization Guidelines by the FMB. It also institutes safeguards against predatory "brokerage" by requiring prior consent and disclosure for any transfer of project rights.
- iii. **Strengthened Social Safeguards and Benefit-Sharing.** Beyond standard safeguards, the policy enforces a Minimum Benefit-Sharing Ratio, to be established by the FMB in coordination with the NCIP. This ensures that a fair, government-mandated portion of carbon revenues directly accrues to Indigenous Peoples and local communities,

alongside strict provisions for Free and Prior Informed Consent (FPIC) and grievance redress.

- iv. **State Guarantee of Permanence.** The Framework introduces a mechanism for the State Assumption of Management Responsibility (without extinguishing tenure rights) in cases of project abandonment or completion. This ensures the long-term permanence of carbon stocks and forest protection, securing the environmental integrity of Philippine credits in the global market.
- v. **Policy Alignment.** The policy is strictly aligned with the Nationally Determined Contribution (NDC) and the National REDD+ Strategy, while clearly distinguishing Voluntary Carbon Market (VCM) activities from Article 6 compliance trading (ITMOs) to protect national climate targets.

c. Blueprint for Philippine Carbon Market Policy Framework (Article 6 Policy Framework)

The Article 6 Policy Framework is the umbrella policy for all international trading activities, covering the credits in the voluntary and (potential) compliance markets, correspondingly and non-correspondingly adjusted credits.

The Article 6 policy framework will establish a national carbon registry, rules for trading eligibility, define institutional arrangements for the governance of carbon markets, outline procedures for project authorization and protocols for the application of corresponding adjustments, and introduce standards for transparency and environmental integrity. These components are all essential to enabling internationally transferred mitigation outcomes (ITMOs) and ensuring the Philippines' alignment with global carbon market practices.

While the DAOs described above primarily serve to enable the generation of carbon credits in the country, the Article 6 policy framework will address the necessary steps to enable international carbon trading. Enabling ITMO transactions would serve to attract potential developers to the Philippines, by allowing for the creation of credits that can be sold or retired according to their needs. Put another way, the Article 6 Policy Framework would unlock the full utility of carbon credits for investors.

The designation of the DENR as the Focal Agency in the EO mentioned above serves as a step towards this goal, as a prerequisite condition for Article 6 implementation. The DAO and EO drafted by the UNDP are working to align and coordinate further policy development with ADB. To this end, the forest carbon roadmap seeks to ensure interoperability between all policies as core components of the overall carbon policy framework for the Philippines.

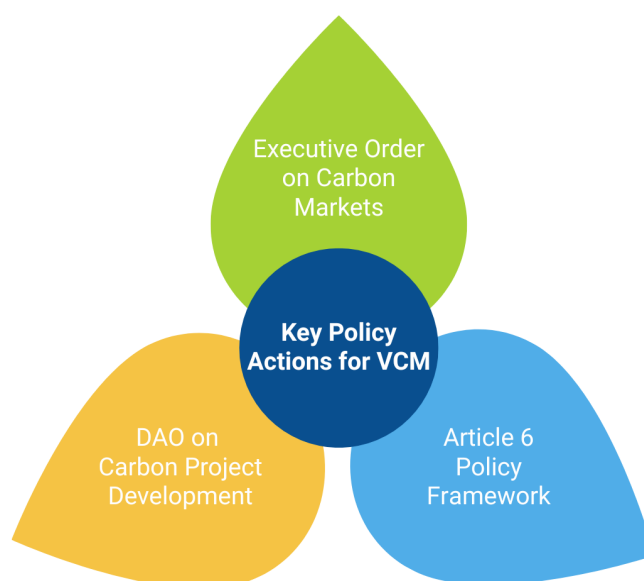


Figure 1: Key Policy Actions for VCM

The policies mentioned above will align with other DENR initiatives and national climate commitments such as the NDC. The 2025 NDC update plans to include conditional and unconditional contributions from Forestry and Other Land Uses. The DENR's active engagement in the NDC update shall include measures to ensure that voluntary carbon market stakeholders will be assured of their ability to operate while simultaneously contributing to national mitigation goals.

The Philippine National Blue Carbon Roadmap which is currently being prepared under the leadership of the DENR-BMB, will also align with the Forest Carbon Policies. The Blue Carbon Roadmap will establish the policy framework necessary for the development of blue carbon projects, such as those for mangrove and seagrass bed restoration. To align the Blue Carbon Roadmap with the overall carbon market policy, a guideline that details project development guidelines for blue carbon projects along with an accompanying tenure instrument to create the enabling policy environment will also be issued. This Roadmap will not focus on blue carbon but will make reference to it where relevant.

To the extent possible, credits generated under the VCM can be transitioned or used under Article 6, as may be provided under the Article 6 policy framework, following the rules applied in internationally transferred mitigation outcomes (ITMOs). This would require corresponding adjustments.

2. **Data Analytics, Technologies, and Systems for MRV and Carbon Registry:**

Develop the data infrastructure and technical systems needed for credible carbon accounting and transparency.

The roadmap calls for compiling and improving nationwide data on forests (through the DENR's geospatial database, NAMRIA maps, etc.) and establishing baseline emission levels (FRELs) at national and subnational scales, for terrestrial and blue carbon, and deploying modern monitoring technologies (e.g. high-resolution satellite imagery, remote sensing, and possibly AI tools) for accurate MRV of forest carbon.

The DENR-FMB's information network will consist of three key information systems:

DENR Forest Carbon Credit Database	• National registry for all forest carbon credits generated in the Philippine territory • Captures all forest carbon projects implemented under recognized standard setters • Shall be linked with the National Carbon Registry
National Forest Monitoring System	• Improves accuracy for baselining of forest carbon projects through development of the Satellite Land Monitoring System (SLMS) • Project activities captured by the NFMS should align with the issued credits listed in the National Carbon Registry
Forest Spatial Dataset Portal	• Database to manage forest geospatial data, including areas selected for priority investment (forest carbon projects)

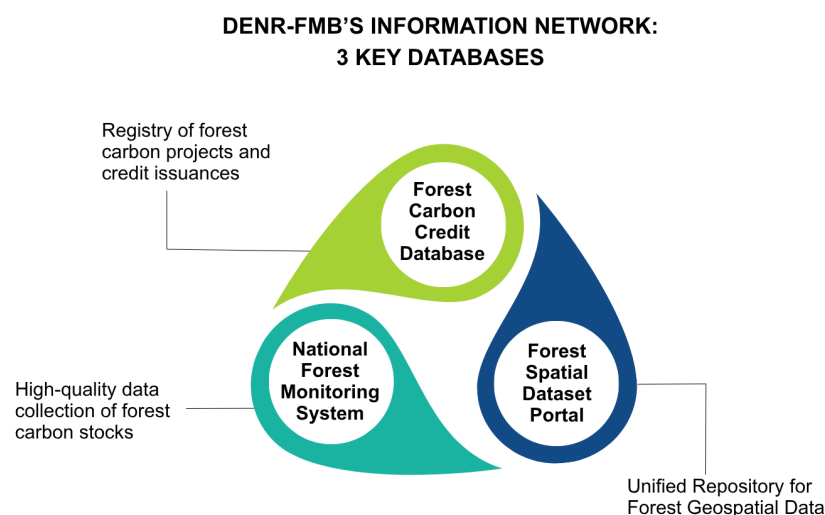


Figure 2: DENR-FMB's Information Network: 3 Key Databases

a. **National Carbon Registry**

A National Carbon Credit Registry will be created through the ADB Technical Assistance for the Article 6 Policy Framework. The national registry will capture all carbon project activities and credits generated within the country and housed within the DENR.

The initial stages of the registry begin with the creation of a **Data Management System** to collect and store information on all credits generated in the Philippines. When fully developed, the system will serve as a functional national carbon credit registry that enables the Philippine government to monitor carbon credit issuances and transactions, which shall serve to assist policy makers in identifying trends related to carbon project development. Other potential applications for assisting local government units and stakeholders are to be explored.

Upon implementation, the National Carbon Registry will feature a dashboard to display information on carbon projects to provide policymakers with an overview of trends in carbon project development within the country. The Registry will autonomously retrieve data from the databases of reputable carbon credit issuers.

Once operational, the national carbon credit registry would track all carbon credits originating from the Philippines and be used to identify credits that are eligible for international transfer. Registration in the database would therefore be a prerequisite for any authorized international transfer of mitigation outcomes. The national carbon registry will be linked with the National Forest Monitoring System and

other databases to enable accurate accounting and consistency with the national Greenhouse Gas Inventory.

The registry shall contain and will be linked with the forest carbon credit database. The database shall serve as a complementary platform to DENR Administrative Order No. 2021-43, otherwise known as the Carbon Accounting, Verification, and Certification System (CAVCS). It shall operate in full alignment with the National Forest Monitoring System (NFMS) and other national MRV mechanisms to reinforce transparency, integrity, and public accessibility in the implementation of Forest Carbon Credit Projects. While the CAVCS shall continue to perform certification, verification, and validation functions, the Database shall serve as the data management and public reporting interface—together ensuring accountability, traceability, and integrity in the generation, transfer, and management of forest carbon credits.

In addition to the **National Carbon Registry**, the DENR-FMB will implement the **Forest Spatial Dataset Portal** together with the **National Forest Monitoring System (NFMS)**. These three systems will form the core information network of the DENR for forest carbon project activities.

b. **National Forest Monitoring System**

The National Forest Monitoring System (NFMS) is a component of REDD+ under the Warsaw Framework and will inform the National GHG Inventory Accounting process.

The NFMS shall collect consistent, transparent data on forest area, change, and carbon stocks in the country. It monitors forest cover, deforestation, degradation, and enhancement of carbon stocks through remote sensing and ground-based inventories, ensuring measurement, reporting, and verification (MRV) of REDD+ activities, which will be used to estimate the GHG emissions inventories for the forestry-sector that will be transmitted to the UNFCCC in the Biennial Transparency Reports (BTR).

In this scenario, REDD+ refers to the UNFCCC process, not the voluntary carbon market methodology. Mitigation outcomes generated under the UN version of REDD+ would not contribute to the voluntary carbon markets; however, once completed, the NFMS (awaiting the completion of the Satellite Land Monitoring System) will enable the tracking of mitigation outcomes within forestlands and the development of country baselines at the local and regional level, thus will be one of the fundamental conditions which carbon project developers must consider when estimating project baselines. Furthermore, the NFMS will feature a public facing dashboard to improve information transparency. The completion of the NFMS hinges on the completion of the Satellite Land Monitoring System (SLMS)

currently being developed by the DENR-FMB.

c. **Forest Spatial Dataset Portal**

The Forest Spatial Dataset Portal will serve as a centralized data repository for the DENR-FMB's forestry-related geospatial data. It is an internal DENR system to improve the management, access, and sharing of spatial data, to support sustainable forest management and planning efforts.

The DENR has identified 1.2 million hectares for priority investment under the Forest Investment Program. These areas will be managed on the Forest Spatial Dataset portal and released on a web-based platform hosted by the DENR-FMB, enabling equal and fair access to potential opportunities for developers and communities. The Technical Assistance for development of the national registry can consider the listing of potential sites in a full-registry solution.

Efforts to unlock further areas for potential development are also underway. The mapping of another 1.5 million hectares of priority investment areas is ongoing by the DENR-FMB for future potential development in addition to the 1.2 million hectares that were recently announced.

Monitoring, Reporting and Verification (MRV)

The DENR will strengthen its internal capacity to verify the accuracy of mitigation claims, as these once listed in the national registry, will be reflected in the national Greenhouse Gas Inventory (GHGI) and subsequently included (or excluded) in the Biennial Transparency Report to the UNFCCC.

A robust accounting system capable of demonstrating the credibility of mitigation outcomes is essential, particularly if the government is to stand behind the integrity of Philippine emissions reductions or removals transferred under Article 6. The accounting system modalities will be developed in accordance with the Article 6 framework policy and 2025 NDC update formulation

3. Institutional Mechanisms and Capacity Development:

Objective: Strengthen the institutional setup and human capacity to implement forest carbon projects effectively.

The proposed Executive Order will assign responsibility to DENR to lead several key workgroups:

Focal Agency under the Paris Agreement	Designates DENR to authorize projects for ITMO eligibility (issue Letters of Authorization)
Chair of the Technical	(Under the Interagency Steering Committee on

Under the Article 6 Policy Framework, the requisite institutional arrangements and organizational structure will be identified, while coordination and technical requirements will also be delineated between government agencies that would enable the international trade of carbon credits under Article 6.

From the perspective of forest projects, specific technical capacity is required and will be provided to the Technical Working Group led by the DENR-FMB.

In parallel, a capacity development program will be rolled out, including training of national and local government personnel, community leaders, and private project developers on technical and operational aspects of carbon projects (e.g. carbon accounting, project design, verification processes).

Partnerships with universities and research institutes will seek support for curriculum development, research on best practices, and the formation of expert groups (for example, exploring the feasibility of assisting development of accredited local carbon auditors to reduce validation costs).

Additionally, outreach and awareness-raising through a structured **Communication, Education, and Public Awareness (CEPA)** program will inform communities and stakeholders about forest carbon opportunities and responsibilities, building broad support and understanding.

4. **Market Development and Sustainable Financing:**

Objective: Ensure long-term financial support and incentives for forest carbon initiatives.

The DENR will endeavor to improve the conditions for the carbon markets, such as working with private sector institutions to promote better access to finance for project developers. Risk assessments produced by the FMB for investment areas would serve to aid private sector institutions in developing enabling financial structures and products. The DENR will continue to provide technical and administrative support towards their future development. Moreover, the DENR shall seek to develop sustainable financing mechanisms for forest carbon projects that would assist projects involved in Results-based Financing or forestry methodologies with high upfront costs.

In accordance with the Forestry Code established by PD 705, the DENR can potentially collect revenue from the sale of carbon credits and the recycled funds can be used to finance the national registry and potentially finance programs for large-scale forest investment. Such revenue collection mechanisms would be instituted through the Article 6 Policy Framework, which will serve to finance the operational costs of the national registry and restoration activities under the Forest Investment Program.

Furthermore, the DENR will also pursue efforts to enable assessment of potential developers, to aid the vetting of projects. It will explore potential tax incentives and taxation schemes on carbon-related activities in consultation with the DOF, and study revenue-sharing policies to inform its forest carbon finance policy in accordance with the Article 6 policy framework. The Philippines aims to encourage private sector engagement while ensuring that forest carbon projects are not only environmentally and socially viable but also economically attractive for all participants.

Together, these four priority areas form the core of the roadmap's strategy. They are interdependent: policy enables projects to proceed; robust data and MRV ensure credibility; strong institutions manage and oversee activities; and financing drives the implementation on the ground.

The roadmap's activities across these areas are sequenced from 2026 through 2030, so that early policy and capacity gains pave the way for increased project development and investment in later years (as outlined in the timeline section). This comprehensive approach ensures that by the end of the roadmap period, the Philippines will have both the infrastructure and experience to maximize benefits from the voluntary forest carbon market.

IV. **Stocktaking**

In formulating the Roadmap of the Philippines' current landscape of forest carbon readiness, including existing policies, programs, participation in international mechanisms, ongoing initiatives, and the status of projects were assessed. This section provides an overview of what has been accomplished to date and where gaps remain, forming the basis for the roadmap's strategic interventions.

a. **Policy and Regulatory Framework**

The Philippines has established a foundational **policy framework for climate change and forestry** that supports its engagement in carbon markets. The landmark **Climate Change Act of 2009 (RA 9729)** created the Climate Change Commission and laid out the broad mandate for climate action.

Building on this, key executive issuances have clarified institutional roles: **Executive Order No. 811** (2009) authorized the CCC to coordinate REDD+ (reducing emissions from deforestation and forest degradation) and similar initiatives with DENR as the implementing arm.

The rights of indigenous peoples – crucial for forest carbon projects – are protected under existing laws such as the **Indigenous Peoples' Rights Act (IPRA of 1997)** which requires **FPIC** for activities in ancestral domains, and NCIP Administrative Order No. 03 (2012) specifically outlines FPIC guidelines for projects involving carbon trading.

In the forestry sector, **DENR Administrative Order 2021-32** has operationalized a National Forest Monitoring System for REDD+ (including satellite-based land monitoring), and **DENR Administrative Order 2021-43** established the **Carbon Accounting, Verification, and Certification System (CAVCS)** providing initial guidance for quantifying and certifying forest carbon credits.

Complementing these, the government enacted the **Public-Private Partnership (PPP) Act of 2023 (RA 11966)**, which recognizes carbon credit projects as potential PPP ventures, and the **Philippine Ecosystem and Natural Capital Accounting System (PENCAS) Law of 2023 (RA 11995)**, which institutionalizes environmental-economic accounting – a tool that can help in valuing ecosystem services like carbon sequestration in policy decisions.

Equally important, older laws on forestry and protected areas set the context within which carbon projects operate. The **Forestry Reform Code (PD 705 of 1975)**, the **National Integrated Protected Areas System (NIPAS) Act (1992)**, the **Local Government Code (1991)**, and other natural resource laws define ownership, management, and use rights over forests and lands. Under these laws, DENR holds authority over public forest lands and is tasked with their management, while co-management arrangements exist

with LGUs and communities through mechanisms like Community-Based Forest Management (EO 263, 1995). These established legal frameworks form the backbone for any forest carbon initiative, ensuring it aligns with national sovereignty over resources and existing use rights.

Despite this strong foundation, critical policy instruments for the VCM are still missing but are being developed. As mentioned in the previous section, the DENR (with support from development partners), has been drafting a dedicated **Department Administrative Order on Forest Carbon Projects**. This DAO will outline procedures for project approval, registration, credit issuance and monitoring, providing much-needed clarity to project developers and other stakeholders. In parallel, an **Executive Order** is being drafted to set an overarching policy direction, formally designating the DENR as the focal agency under Article 6 and signal to the government to begin coordinating inter-agency efforts towards the establishment of the carbon market. The **Article 6 Policy Framework** will further these efforts by establishing the institutional infrastructure necessary to enable the international trading of carbon credits and providing assurance to prospective developers that their activities in the Philippines will be able to meet the needs of potential investors. Once issued, these policies will fill current regulatory gaps and signal government commitment, giving confidence to investors and communities that forest carbon activities will be governed by clear rules.

b. **National Plans and Commitments**

Climate change mitigation and forest protection have been increasingly integrated into the Philippines' **national development plans and strategies**. The current **Philippine Development Plan (2023–2028)** emphasizes climate resilience and environmental sustainability, including the role of climate finance and private sector engagement. The country's climate-specific strategies, namely the **National Framework Strategy on Climate Change (2010–2022)** and its implementing **National Climate Change Action Plan (NCCAP)**, prioritize both adaptation and mitigation; within these, forestry is identified as a key sector for ecosystem-based mitigation. Additionally, the **Philippine Master Plan for Climate Resilient Forestry Development (2016–2028)** provides a sectoral roadmap for forestry, highlighting reforestation, conservation, and enabling measures like capacity building and financing that dovetail with carbon market readiness.

At the international level, the Philippines submitted its first **Nationally Determined Contribution (NDC)** under the Paris Agreement in 2021. In the NDC, the country pledged a 75% reduction in greenhouse gas emissions by 2030 relative to a business-as-usual scenario, with 2.71% of that unconditional and the rest conditional on support. The initial NDC focused on sectors such as energy, transport, industry, agriculture, and waste. Forestry (FOLU) was mentioned but not fully quantified in the target. Recognizing the significant mitigation potential of forests, the government is **updating its NDC** to include FOLU in a more robust way. An inter-agency effort led by

DENR and CCC, with support from the Department of Energy, Department of Agriculture, Department of Transportation, DEPDev, , DOF, and development partners like ADB, is underway to revise the NDC by 2025. This update will model enhanced targets across all sectors, explicitly account for forestry's contributions (both current and potential), and set new conditional and unconditional targets accordingly. Including forests in the NDC is strategic: it ensures that forestry initiatives, such as VCM projects, contribute directly to national climate goals and can potentially tap into international support mechanisms tied to NDC achievement.

Together with the NDC update, the Philippines is formulating a **Just Transition Framework** to guide the shift toward a low-carbon economy. As certain industries evolve or phase down (for example, if climate policies constrain coal power generation), this framework aims to protect workers and communities through inclusive consultation and equitable benefit-sharing. In the context of forest carbon, a just transition means supporting communities who depend on forest lands to engage in new livelihood opportunities (like reforestation or conservation work paid for by carbon finance) without undue hardship. All these planning efforts underscore that forest carbon initiatives are not stand-alone endeavors, but part of the broader national agenda for sustainable development and climate action.

c. **Participation in International Carbon Mechanisms**

This section will briefly explain the Philippines' participation in international carbon market mechanisms. Though not related to the Voluntary Carbon markets, it will explain the experience that informs its approach to the VCM where it can.

Under the Reducing Emissions from Deforestation and Degradation (REDD+) **REDD+ framework**, the Philippines has made significant strides towards readiness for results-based payments for forest emissions reductions. In this instance, REDD+ refers to the system under the UNFCCC, which should **not** be confused with the REDD+ methodologies used in voluntary carbon markets. That being said, components of the Warsaw Framework, notably the National Forest Monitoring System and Safeguards, form part of the national regulation (DAO 2021-32) regarding forestlands that will frame project development conditions in the country, which major VCM standards typically require adherence to.

The **Philippine National REDD+ Strategy** was developed in the 2010s, and more recently a **National REDD+ Action Plan (2022–2031)** was finalized and endorsed in early 2024 after extensive stakeholder consultations. The DENR has put in place the key elements necessary for REDD+ implementation, including the **National Forest Monitoring System (NFMS)** mentioned earlier, which employs satellite imagery and ground inventories to track forest cover and carbon stock changes. In 2023, the Philippines submitted its first **Forest Reference Emission Level (FREL)** for deforestation and forest degradation to the UNFCCC, providing a baseline

against which future emission reductions will be measured. The FREL's formal technical assessment was completed and published by the end of 2023, marking a milestone in transparency and readiness for possible REDD+ performance-based funding. Additionally, a **Safeguards Information System (SIS)** is being developed to ensure that social and environmental safeguards (per the Cancun REDD+ safeguards) are respected in all forest carbon activities. These efforts position the Philippines to access multilateral REDD+ financing or carbon crediting mechanisms by demonstrating a robust monitoring and governance system in the forestry sector.

Beyond REDD+, the Philippines was an early mover in the **Kyoto Protocol's Clean Development Mechanism (CDM)**. Since ratifying the Kyoto Protocol in 2003, the country registered 72 CDM projects across various sectors (though primarily in energy, waste, and industrial gases). While most CDM projects were not forest-based (due to CDM's later inclusion of afforestation/reforestation and complex rules), the CDM experience built local capacity in carbon project development and approval processes. The DENR as designated Focal Agency gained valuable experience in evaluating projects for sustainable development benefits and in navigating international carbon methodologies. The Philippines also implemented five Programmes of Activities (PoAs) under the CDM, which bundled smaller projects, an approach that could be analogous to bundling small community forest projects in the future. Lessons learned from the CDM highlight the importance of clear national policy support for project developers (to lower transaction costs), the need for continued stakeholder engagement to maintain confidence in carbon markets, and the opportunity to explore new mechanisms as global regimes evolve.

In line with exploring new mechanisms, the Philippines is engaged in the **Joint Crediting Mechanism (JCM)**, a bilateral program with Japan through a Memorandum of Cooperation signed with Japan in 2017. Since then, JCM model projects have been initiated in the Philippines, mainly focusing on renewable energy and energy efficiency (e.g., solar farms, waste-to-energy, energy-efficient systems). While JCM projects to date are not forestry-related, the partnership has established a template for bilateral cooperation on emission reduction projects and has created institutional familiarity with crediting procedures overseen by a joint committee of the two countries. The ongoing dialogue under JCM also covers how such bilateral credits would transition or align with Article 6 mechanisms under the Paris Agreement, and ensure the avoidance of double counting of emissions reductions.

Through these **international engagements (REDD+, CDM, JCM)**, the Philippines has developed capacity, identified gaps, and built a network of stakeholders (government, private developers, validators) experienced in carbon transactions. This experience is invaluable as the country now turns to the voluntary market and emerging Article 6 exchanges. It provides a baseline of knowledge to build upon and highlights the need for certain reforms (for example, clarifying carbon ownership and mandating benefit sharing, as CDM demonstrated the importance of host country approvals and the necessity of

ensuring local benefits). The roadmap leverages this background, aiming to scale up what worked and address what did not in past mechanisms.

d. **Ongoing Initiatives and Support**

As the Philippines advances its forest carbon readiness, it is supported by various **ongoing initiatives and partnerships** at the national and international level:

i. **United Nations Development Programme (UNDP):**

The UNDP has been a key partner of DENR in laying the groundwork for forest carbon market readiness. It provided technical assistance to draft the DENR's DAO on forest project guidelines and the EO through the Accelerating Green and Climate Finance Project funded by the Government of Canada, ensuring these policies are informed by international best practices and national context. UNDP also conducted analytical studies, including a comprehensive policy gap analysis and a carbon finance gap analysis for the Philippines. Throughout 2023 and early 2024, UNDP facilitated multi-stakeholder consultations and round-table discussions that brought together government, civil society, indigenous peoples, academia, and private sector representatives. These consultations were instrumental in identifying the challenges and priority actions that now appear in this roadmap. In essence, UNDP's support has helped shape the strategic direction and content of the roadmap, anchoring it in evidence and broad stakeholder input.

ii. **World Bank (WB):**

The World Bank, through its initiatives like the Partnership for Market Implementation Facility (PMI), has been assisting the Department of Finance and other agencies to prepare for carbon pricing and markets. The PMI initiative in the Philippines has focused on capacity-building and policy advice for market-based instruments. The World Bank recently conducted a study on carbon pricing options for the Philippines (such as carbon taxes, emissions trading, or crediting mechanisms), which will inform the government's approach to integrating market instruments into its climate policies. Such work complements the roadmap by examining how domestic measures (such as a carbon tax or trading scheme) might interact with or feed into voluntary market activities, especially in the context of sustainable financing for mitigation actions. At the time of this writing, the World Bank is exploring the potential of a cap-and-trade system under the voluntary carbon markets.

iii. **Asian Development Bank (ADB):**

ADB is providing technical assistance to the DENR in operationalizing Article 6 of the Paris Agreement and expanding participation in both compliance and voluntary carbon markets. The technical assistance is helping the country develop necessary institutional and regulatory frameworks, establishing procedures to authorize and transfer internationally transferred mitigation outcomes (ITMOs) under Article 6.2, and assisting in the negotiations of the Implementation Agreement for Article 6 with Singapore. ADB is also developing pilot transactions: identifying potential private-sector led mitigation projects in the Philippines that could generate carbon credits destined for international trade, to establish proof of concept for the emerging systems. Furthermore, ADB is supporting the 2025 Revision of the NDC in coordination with other development partners. By integrating Article 6 preparations with the NDC revision, ADB's support ensures the Philippines can navigate both international trading and ensure the continued growth of the voluntary carbon market. This approach increases potential growth for carbon credit markets, whether through direct country agreements or through voluntary standards.

Bilateral Agreements:

The Philippine government has begun forging direct partnerships to jump-start carbon market engagement. In 2022, the Philippines signed a **Memorandum of Understanding with Singapore** to collaborate on carbon market development under Article 6. This MOU is a precursor to a binding agreement that would set parameters for trading credits between the two countries. Such collaboration can provide a pathway for Philippine forest carbon credits to be bought by Singapore as that country seeks external offsets for its emissions, all while adhering to Article 6 transparency and accounting rules. The roadmap takes into account that by establishing these links early, the Philippines can secure markets for its credits as projects come online. Additionally, the country joined the **Blue Carbon Action Partnership** under the World Economic Forum, and is currently developing the National Blue Carbon Roadmap which covers carbon projects in coastal and marine ecosystems (mangroves, seagrass beds) alongside terrestrial forests. Although blue carbon is a specialized area, participation in this partnership helps build knowledge and could complement forest carbon initiatives in the future, especially given the Philippines' extensive coastlines and mangrove forests.

In summary, a strong ecosystem of support is in place. International agencies and development partners are working closely with Philippine institutions, providing expertise, funding, and platforms for knowledge exchange. This collaborative environment accelerates capacity-building and helps align the Philippines' roadmap with global best practices. It also means that as the roadmap is implemented, the Philippines can continue to draw on technical assistance and possibly result-based finance from these partners and other

existing mechanisms, thereby reducing the burden on domestic resources.

e. **Status of Forest Carbon Projects**

Forest carbon project development in the Philippines is still in the early stages, but there is a growing pipeline of initiatives that demonstrate increasing interest from both domestic and international actors. **Early pilot projects** date back to the mid-2000s. For instance, between 2005 and 2007, a few reforestation and conservation projects were launched: the *Peñablanca Sustainable Reforestation Project* in northern Luzon (Cagayan province) led by Conservation International and partners was one of the first, achieving validation under the Climate, Community and Biodiversity (CCB) Standards in 2009. Around the same time, the *Quirino Forest Carbon Project* (also initiated by an NGO) was prepared with the intention of registering under the Kyoto CDM, and in Mindanao, a reforestation effort in Mt. Malindang Natural Park managed to sell a limited number of voluntary carbon credits, making it an early example of successful carbon finance in the country.

Building on these pioneers, the **current portfolio of forest carbon projects** includes both internationally registered projects and locally driven ones. An initial inventory by DENR in 2024 identified a set of projects under the leading voluntary carbon standard, Verra's Verified Carbon Standard (VCS): as of that survey, **two projects had completed registration with Verra** (earning issuances of VCUs for afforestation/reforestation activities), and **four additional projects were in the pipeline** at various stages of validation or development under the VCS in the Agriculture, Forestry, and Other Land Use (AFOLU) category. These projects are primarily large-scale reforestation or combined forest protection and livelihood initiatives, several of which are in Mindanao and involve private sector developers in partnership with local entities. Details of these registered and pipeline projects, including their locations and estimated carbon yields, are provided in the table below.

Outside the Verra system, at least **nine other forest carbon projects** have been identified that are either being implemented or formulated across the country. These include projects funded by domestic sources, bilateral assistance, or private investors targeting voluntary emissions reductions without going through Verra or Gold Standard yet. Some are community-based reforestation projects linked to corporate social responsibility programs, while others are initiatives by local governments or NGOs exploring carbon financing as an add-on to conservation projects. In addition, DENR reports interest from several foreign investors and developers who have approached the government to discuss new project opportunities, particularly in areas under existing forest tenure agreements such as **Community-Based Forest Management Agreements (CBFMA)**, **Industrial Forest Management Agreements (IFMA)**, and in ancestral domain areas under indigenous stewardship. Regions like the **Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)**, which have significant forest cover and autonomous governance, are also being eyed for pilot carbon projects with the BARMM authorities beginning to coordinate with

DENR on applicable rules.

While the momentum is evident, the **scale of on-ground activity is still modest relative to the country's potential**. There remain no nationally issued carbon credits to date (all credits have been through international standards), and only one or two projects have reached the stage of actually transacting credits and sharing benefits. This highlights a key point of the stocktake: the concepts have been tested, and the interest is there, but full readiness – in terms of widespread project rollout – awaits the enabling policies that this roadmap seeks to put in place. Notably, DENR's field offices have started compiling baseline data for prospective project sites, indicating a proactive approach to facilitate matchmaking between project ideas and suitable locations. The **table** below provides a summary of known forest carbon projects and initiatives, illustrating the geographic spread, proponents, and current status. As the roadmap is implemented, these projects can serve as case studies to refine policies (for example, by examining how benefit-sharing was handled or what bottlenecks were faced in getting approvals).

Table 1: AFOLU projects in the Philippines using the Verra's Verified Carbon Standard (VCS)

ID	Projects & Proponent	Project Details	Project Status
2412	Mindanao Tree Planting Program for our Climate and Communities (MinTrees) Proponent: Kennemer Eco Solutions Pte Ltd	AFOLU Activity: ARR Methodology: ARACM0003 Project Registration : 2022-09-28 Crediting Period: 2015-03-15 to 2065-03-14 Estimated Annual Emission Reductions: 33,015 Location: 10 provinces across three regions-CARAGA, Davao and SOCCSARGEN	Registered
2958	Lanao del Sur Bamboo Reforestation Project Proponent: EcoPlanet Bamboo Group, LLC	AFOLU Activity: ARR Methodology: AR-ACM0003 Project Registration: 2023-12-01 Crediting Period: 2022-06-01 to 2042-05-31 Estimated Annual Emission Reductions: 315,067 Location: Amai Mabilang, Lanao Del Sur	Registered
4788	Project Rizome Kawayan Project Proponents: Multiple	AFOLU Activity: ARR Methodology: VM0047 Crediting Period: 2022-03-01 to 2042-02-28	Registered

	Proponents including Climate Impact Partners and Rizome	Estimated Annual Emission Reductions: 35,017 Location: Bukidnon, Misamis Oriental, Gingoog City & Cotabato	
2534	Planting Hybrid Coconut in Palawan Proponent: Lionheart Agrotech Limited	AFOLU Activity: ARR Methodology: VM0047 Crediting Period: 2019-09-01 to 2059-8-31 Estimated Annual Emission Reductions: 210,000 Location: Rizal, Palawan	Under validation

Source: Verra database

In conclusion, the stocktake reveals that the Philippines enters this roadmap with a solid foundation: climate laws and plans are in place, initial policy tools and international partnerships are established, and a handful of projects have demonstrated feasibility. However, it also underscores the challenges – the lack of comprehensive policy specific to forest carbon, the need for better data and coordination, and the fact that many potential projects remain stuck in the planning phase. The **challenges and gaps** identified in the following section summarizes these hurdles, which the roadmap’s interventions are designed to overcome.

V. Challenges and Gaps

The following key challenges and gaps have been identified from the stocktaking assessments, stakeholder consultations, and policy analyses. These issues currently hinder the Philippines’ full readiness to engage in the forest carbon market and thus are directly addressed by the roadmap’s strategic priorities:

A. Project Development and Implementation Challenges:

1. Issues in Identifying Potential Areas for Development (Site Selection)

A common bottleneck for developers is the difficulty in identifying viable project sites at the early stages of project development.

To address this, the carbon roadmap outlines a strategic plan for site selection support. As mentioned above, the DENR through the forest investment program has designated 1.2 million hectares of classified forest land as priority investment areas for reforestation, agroforestry, and other forest-based development. These areas will be gradually made available for carbon project

development. In parallel, efforts are ongoing to assess and release an additional 1.5 million hectares to scale up efforts in the near future.

2. Lack of Tenure Instruments for Forest Carbon Projects

The absence of a tenure instrument that explicitly recognizes forest carbon projects as a viable activity presents a challenge within the current policy framework. The DAO on forest carbon explicitly recognizes tenure holders as one of eligible project proponents and partners with project developers or other entities to engage in the carbon market. This is expected to streamline project development and provide greater legal clarity to developers.

Acknowledging the high level of global interest in mangrove projects, a separate set of guidelines and a tenure instrument is urgently necessary to streamline project development on blue carbon. The development of this tenure instrument should be included in the Philippines National Blue Carbon Roadmap and development of the policy led by DENR-BMB.

3. Lack of a Benefit Sharing Framework

The **absence of a benefit-sharing framework** creates uncertainty about how revenues will be distributed, increasing the risk of disputes or misallocation of benefits.

To address this, the forthcoming DAO requires project developers to submit a benefit-sharing plan; however, the DAO does not currently define specific standards or formulas for how benefits should be allocated. To provide further clarity and consistency, the DENR will issue supplementary guidelines through soft policy instruments such as a bulletin or circular.

It is important to note that benefit-sharing requirements may have varying implications depending on the project type and nature of the activity. Afforestation, Reforestation, and Revegetation (ARR) projects, for example, are more capital-intensive and carry higher risks compared to conservation-based initiatives. Recognizing this, the DENR seeks to promote ARR projects as high-quality carbon removal activities and will carefully consider the cost structures and inputs of project developers. Benefit-sharing requirements will be designed to ensure equity without creating prohibitive barriers to investment.

4. Lack of Project Development Protocols

Currently, standard procedures for project design, validation, and registration are not yet institutionalized, leading to confusion among project developers about what Philippine authorities require.

Limited to the scope and mandate of the DENR, the DAO on Project Guidelines will serve to address the question of how to start a carbon project on government tenured land, providing clarity on who can participate, how to apply for a carbon project, and granting the authority to implement the project and receive verified credits from international crediting institutions.

For the voluntary carbon markets, the DENR does not plan to issue credits itself as it will clarify in the DAO that credits are to be issued by international crediting institutions. Instead, under the DAO, the DENR shall issue certificates of registration following certain procedures. The Philippine government will eventually be expected to guarantee such credits if they are authorized and fully compliant with the terms to be developed in the Article 6 policy framework.

5. Lack of Clear Institutional Arrangements for Project Development

In connection with the lack of procedural clarity, there is also a **lack of a clear organizational structure for the government** that hinders development of forest carbon projects. This not only negatively impacts project developers, but also government offices at the local and regional levels. There is a need to capacitate these departments so that they can better facilitate the implementation of carbon projects. Furthermore, NCIP and LGUs have indicated that they are unsure of how to participate in project approvals or monitoring, roles that should be clarified. Local communities and indigenous peoples often have limited awareness of carbon finance concepts, pointing to insufficient outreach and education (CEPA) to date.

The DENR will focus internally on improving the capacity of its local and regional offices and externally in its outreach with the relevant government agencies. This will build up to each government department developing policies that enable projects for project types under their mandate, which will be discussed in a later section.

B. Legal and Policy Framework Gaps:

1. Lack of Clarity on Carbon Rights

Carbon rights and tenure issues remain unresolved. Philippine law does not yet explicitly define ownership of carbon sequestration rights or credits, especially on public lands or ancestral domains. This ambiguity over who “owns” the carbon in trees (the state, the landholder, the project proponent, or the community) complicates project agreements and investor confidence. The country’s complex land and forest tenure system (overlapping designations of land as public forest, ancestral land, protected area, etc.) adds to this complexity, as different rules apply under different tenurial instruments. Project developers must demonstrate legal title or rights to carbon in order to register with international standards, and at present can be challenging for forest projects.

The issue can be tackled with the issuance of an Executive Order, which can institutionalize carbon rights in the context of forest carbon. In the long run, carbon rights would be more enduring if they were implemented as a law.

It is worth noting that projects implemented in accordance with the DAO and with a tenure instrument obtained from the DENR, including indigenous peoples with ancestral domain claims as verified by NCIP would be able to receive carbon credits. The DENR has the ability to confer rights to natural resources under the forest mandate. Under the DAO, the DENR shall issue a “Letter of Authority” that serves as proof of management control for project developers.

2. Lack of a Policy on Carbon Trading

A related gap is the absence of explicit domestic policy on trading credits internationally. While the PPP Code acknowledges green finance, there is not yet a specific law or regulation that authorizes the sale of carbon credits overseas or addresses potential government share in those transactions. These legal uncertainties need clarification through new policies to provide a secure basis for market transactions.

To this end, policies on carbon trading will be informed by the Article 6 policy framework. This would involve planning the necessary institutional arrangements necessary for international transfers of mitigation outcomes (ITMOs), establishing protocols for credit authorization and formulating the necessary accounting system to avoid double-counting and make international trade viable.

Within these institutional arrangements, the domestic market structure needs to be clarified as well. It is expected that the structure of the international policy (Article 6 policy framework)

will largely inform what space the domestic trading policy will occupy. The DOF is conducting a study on Carbon Pricing Instruments with assistance from the World Bank, which may result in a domestic compliance policy if the Low Carbon Economy bill is passed. DENR is maintaining close coordination with the DOF on this development.

Currently, it is the stance of the DENR that carbon credits generated in the Philippines will remain in the country (contributing to the Philippine NDC) unless specifically authorized for international transfer by Corresponding Adjustment. A domestic compliance carbon market would be feasible within the proposed policy environment and if created through legislation, can be accommodated. Rules such as which credits are appropriate for use in the domestic compliance market and the limitations on use cases would be decided by the Technical Working Group on Carbon Markets.

Lastly, the Government is considering taking steps towards defining carbon credits as an asset class. Doing so would provide regulatory clarity on the treatment of carbon credits, giving legitimacy to the credits generated in the Philippines and enable the use of standardized accounting and taxation rules, which have great implications for project investors. The government plans to explore classifications depending on the intended use and potentially differentiate between authorized and unauthorized credits (under Article 6). This will also be done in close collaboration with the Department of Finance.

C. Capacity and Institutional Challenges:

1. Limited Technical Capacity

Limited technical capacity within the DENR and across institutions and stakeholders is a critical gap. Implementing forest carbon projects requires expertise in fields like forest carbon inventory, remote sensing, project finance, verification protocols, and social safeguard implementation. Currently, only a small pool of experts and organizations in the Philippines have hands-on experience in these areas. Many DENR field offices, local governments, and community organizations lack training and exposure to carbon project methodologies, which could lead to inconsistent or substandard project development if not addressed. There are currently no accredited third-party auditors for carbon crediting organizations operating within the country.

2. Lack of Coordination Mechanisms for Policy Development

On the institutional side, the country lacks a **dedicated coordination mechanism** for carbon project development, which has led to fragmented efforts. Different agencies and levels of government pursue similar initiatives (climate projects) without a unified framework, risking overlaps or gaps. A clear governance structure that brings together national agencies, and links with LGUs and other stakeholders, is needed to streamline decision-making, avoid duplication, and ensure that issues like safeguards and benefit sharing are handled collaboratively. Essentially, human and institutional capacity must be bolstered so that the necessary governance (rules, oversight, enforcement) and on-ground implementation skills are in place.

The outline of this structure will be created by the Article 6 policy framework. Enabled by the Executive Order, the DENR will convene and chair the inter-agency steering committee and will be given authority to coordinate carbon market policy development among the relevant agencies. The IRR to be developed would indicate that each relevant agency should issue specific guidelines to cover the project types under their mandates. For example, the DENR would be able to coordinate with DOE to develop renewable energy and energy efficiency project guidelines and clarify the relationship of carbon markets to other existing initiatives such as the DOE's Renewable Energy Certificates (RECs), a disconnect that needs to be clarified.

D. Financing and Market Challenges:

1. Sustainable Finance for Carbon Projects

Developing a forest carbon project can be costly, requiring upfront investment in feasibility studies, community consultations, and technical work long before any revenue is realized from carbon credit sales. ARR projects in particular are capital intensive and necessitate high upfront costs. In this regard, benefit-sharing requirements for these projects should be closely studied as they have a significant effect on projects of this type. The DENR will explore structures that consider variable and equitable benefit sharing requirements depending on the project type or methodology employed in the project. Until such information has been gathered, the DENR will maintain a neutral stance on benefit sharing requirements that defer to the specifications of the respective crediting agencies.

2. **Investor Accountability**

There is also the issue of **investor confidence and accountability** in carbon projects globally. Local stakeholders have raised concerns about instances where outside investors expressed interest or even signed agreements, but later failed to follow through with funding or project development (exhibiting “market failure” at the local level). This pattern has created distrust and highlights the need for greater vigilance and due diligence on investors and perhaps necessitates a form of guarantee or insurance mechanism for the contracted parties. Additionally, since the policy environment is underdeveloped, questions commonly arise about whether revenues from carbon credits would be subject to national or local taxes, and if so, how to structure this without deterring participation. Without guidance, LGUs are unsure if or how they can benefit fiscally from projects (through taxes or shares), and private developers are uncertain about their net returns.

In summary, there is a gap in **financial policy and instruments** to support forest carbon: this includes lacking provisions for carbon revenue taxation or exemptions, no clear framework for carbon funds or bonds, and no system to reinvest potential carbon revenues into further climate actions. These gaps need to be addressed to mobilize and sustain the financial resources required for the roadmap’s implementation.

Addressing these challenges is essential for the success of the forest carbon roadmap. Each gap identified above directly corresponds to interventions planned under the roadmap’s priority areas, whether it be policy reforms to clarify carbon rights, capacity building programs, the establishment of data systems, or creating financing mechanisms. The following sections outline the plan to implement those interventions, providing a strategic approach to overcome these barriers and achieve the Philippines’ forest carbon market readiness by 2030.

VI. **Implementation Plan**

The roadmap’s implementation is structured as a phased five-year plan (2026-2030) with clear targets, timelines, and responsibilities. It is designed to methodically build the pillars of forest carbon market readiness, starting with policy and capacity foundations and moving towards full operationalization and scaling of finance by the end of the period.

A summary of the timeline and key milestones is provided below:

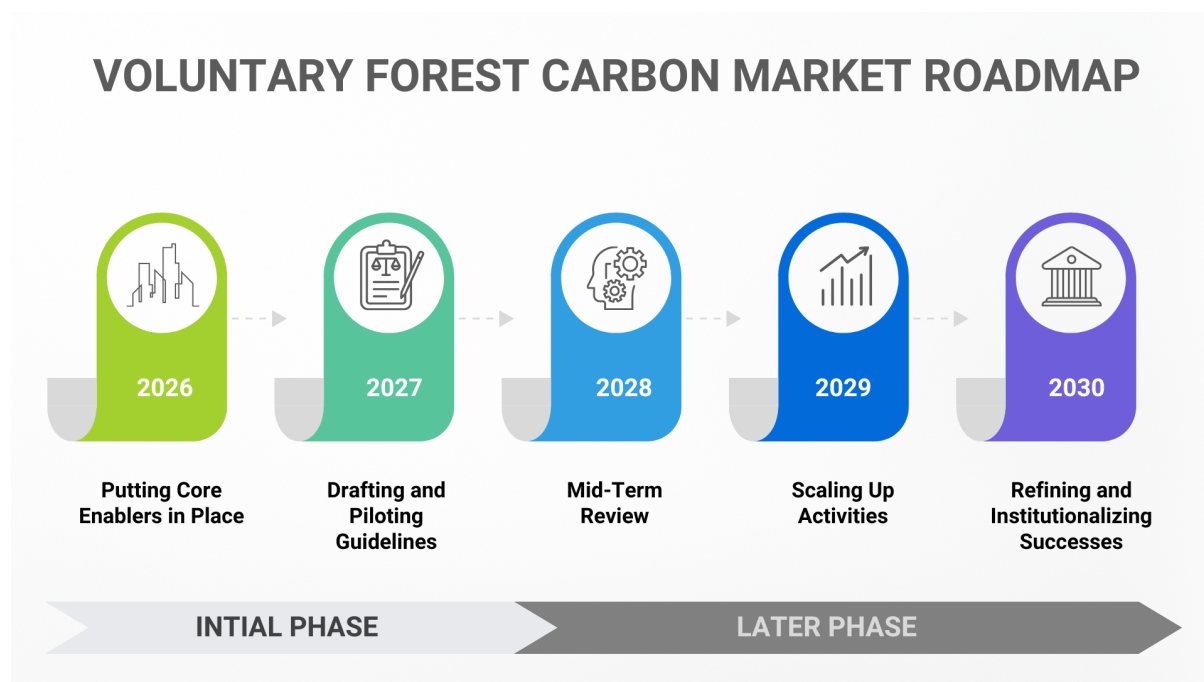


Figure 3: Voluntary Forest Carbon Market Roadmap 2026-2030

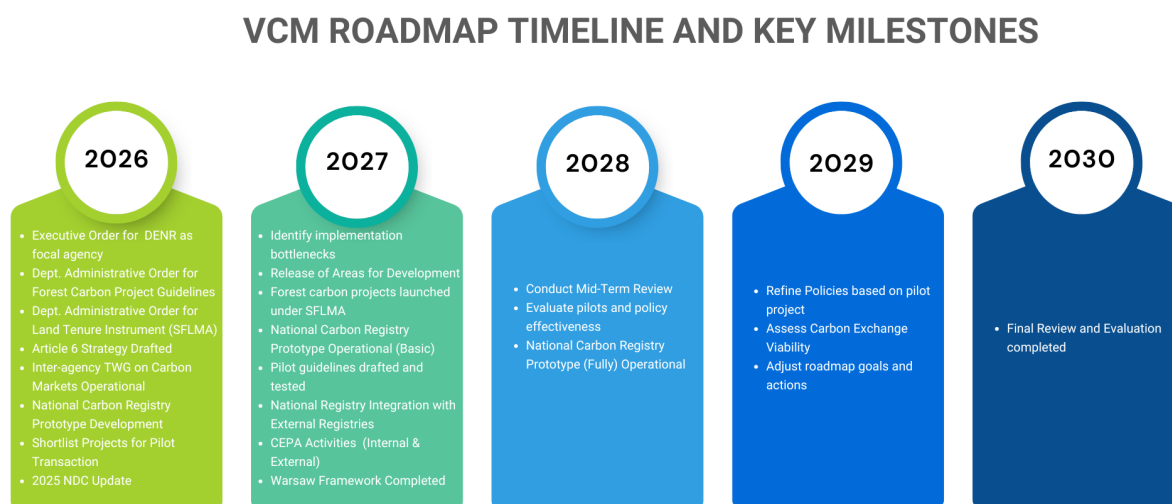


Figure 4: VCM Roadmap Timeline and Key Milestones

Phased Timeline and Milestones:

A. Initial Phase (2026-2027)

In the initial phase (2026), the focus will be on **putting core enablers in place**. This includes promulgating critical policies (the DENR DAOs and the EO) and establishing institutional arrangements through the Article 6 Policy Framework. Concurrently, drafting of the Article 6 strategy document and prototyping of the National Carbon Registry will take place under the Article 6 policy technical assistance. The 2025 NDC revision will have been prepared and submitted, including the AFOLU sector's conditional and unconditional contributions. The DENR DAO and the EO planned to be completed by the end of 2025, and international actors made aware of the Philippines' new policies and plans to participate in the voluntary carbon market.

By the end of 2027, essential guidelines (e.g. project development manuals, stakeholder engagement protocols, templates, manual on the forest carbon database, etc.) are expected to be drafted and piloted. A shortlist of projects will be identified for the first pilot transaction under the Article 6 framework.

The following specific actions shall be carried out:

1. Policy Framework for VCM Engagement

Develop supplementary guidelines to implement provisions of the DAO

- ☐ Formulate capitalization guidelines
- ☐ Develop benefit sharing mechanism between communities, project developers, local governments and national government
- ☐ Prepare community benefit sharing plan guidelines
- ☐ Develop grievance redress mechanisms for VCM
- ☐ Checklist for review of proposals, and criteria for project eligibility review
- ☐ Process for issuance of certificates of registration, conditional certificate of registration, and certificate of non compliance

Prepare templates for project development

- ☐ Project Development Agreements (PDA)
- ☐ Project Partnership Agreement (PPA)
- ☐ Project Financial Agreement (PFA)
- ☐ Project Idea Note/Letter of Intent
- ☐ Project Design Document
- ☐ Monitoring Reports/Progress Reports
- ☐ Final Report on Forest Carbon Project

Finalize policy framework for Article 6 and Blueprint for Carbon Trading Policy

Finalize policy framework for blue carbon credit mechanism and procedures

2. Data Analytics, MRV, and Carbon Registry Systems

Establish national forest carbon credit database

- ☐ Review existing carbon credit databases/registries
- ☐ Adapt design of database to align with Philippine policies and other databases (NFMIS, forest spatial database portal)
- ☐ Undertake user acceptance testing
- ☐ Roll out carbon credit database

Establish links with international and national registries

- ☐ Engage project developers with existing and pipeline projects and register with forest carbon credit database
- ☐ Establish operational links with national and international carbon registries
- ☐ Establish linkage with national GHG reporting system

3. Institutional Mechanisms and Capacity Building, including information and awareness campaigns

Strengthen institutional mechanism

- ☐ Define specific roles and responsibilities of DENR units : FMB, BMB, Regional Offices, PENROs and CENROs, and issue Memorandum Circular
- ☐ Establish procedures defining relationship and detailed responsibilities between DENR, NCIP, Protected Area Management Boards, local government units, IP communities, tenure holders and issue Joint Memorandum Circulars
- ☐ Conduct orientation and awareness raising

Capacity Building and Awareness Raising

- ☐ Roll out capacity development program including training of national and local government personnel, community leaders, and private project developers on technical and operational aspects of carbon projects
- ☐ Forge partnerships with universities and research institutes for curriculum development, research on best practices, and the formation of expert groups
- ☐ Develop a structured Communication, Education, and Public Awareness (CEPA) program to inform communities and stakeholders about forest carbon opportunities and responsibilities

4. Sustainable Financing and Market Development

- ☐ Develop benefit sharing mechanisms and guidelines for community based benefit sharing arrangements
- ☐ Conduct study on revenue sharing from proceeds from voluntary forest carbon credits, including feasibility of reflows to finance climate programmes
- ☐ Study feasibility of carbon revenue taxation and management of proceeds, sharing with LGUs, Ip and local communities
- ☐ Develop sustainable financing model to support forest carbon initiatives, and formulate innovative finance instruments such as bonds or blended finance
- ☐ Study feasibility of applying incentives or tax exemptions for carbon project development
- ☐ Engage with private sector to continuously assess investment risks and identify measures to reduce risks

B. Mid-term Review (2028)

Mid-2028 is slated for a **Mid-Term Review** of the roadmap. By this point, the country anticipates having several policy actions completed and perhaps a few pilot projects underway or registered. The review (led by DENR with independent inputs) will evaluate progress against targets, identify implementation bottlenecks, and recommend adjustments. This aligns with the global climate timeline as well, since the updated NDC is to be submitted in 2025 and initial results will be observable by 2028.

C. Later Phase (2029-2030)

The roadmap envisages a **scale-up of activities** in the period of 2029-2030. With the policy framework largely in place and initial capacity built, more forest carbon projects are expected to commence development. Efforts will intensify on developing the market conditions. For instance, exploring the viability of a carbon exchange based in the Philippines, and supporting the domestic growth of accredited third-party verifying bodies.

By 2029, attention will also turn to **refining and institutionalizing successes**: adopting any needed amendments to policies (based on lessons from the first projects) and integrating the carbon MRV and registry system fully with international systems (to allow seamless credit transfers and quick identification of buyer activities).

The final year, 2030, will concentrate on completing any remaining key activities and **refining and institutionalizing successes**. This end-of-term evaluation will measure what the roadmap achieved (e.g., number of policies enacted, number of projects registered, volume of

carbon credits generated or transacted, funds mobilized, and capacity improvements) and will outline any residual gaps or recommendations for the next phase beyond 2030.

1. Institutional Leadership and Coordination:

Implementation will be led by the **Department of Environment and Natural Resources (DENR)** as the primary executing agency and as the designated Focal Agency under the Paris Agreement. Within DENR, units such as the Forest Management Bureau (FMB), the Climate Change Service, and regional offices will take on operational roles for various components under their respective mandates. The Climate Change Commission (CCC) will play a supporting role, ensuring alignment with national climate policy and integration of the roadmap actions into the broader climate change agenda (like the NDC). To formalize multi-agency cooperation, the **Interagency Steering Committee on Carbon Market (IASCCM)** will be convened. This body will convene regularly to coordinate policy development across institutions. For example, aligning DENR's registry development with DOF's work on finance mechanisms, and ensuring NCIP's FPIC processes are triggered early for projects in ancestral domains. Each priority area of the roadmap has designated lead agencies or co-leads (as detailed in the above implementation tables). For instance, DENR-FMB may lead policy framework actions, DENR's Geospatial Database Office and NAMRIA lead data system upgrades (with support from PSA for socio-economic data), and NCIP lead on indigenous peoples' capacity development and safeguard integration. Regular coordination meetings and progress reports will be used to maintain momentum and transparency among agencies.

2. Monitoring, Reporting, and Evaluation:

A robust **Monitoring and Evaluation (M&E) system** will support the implementation of the roadmap. DENR will establish a small secretariat or task force to track the roadmap's activities and outputs. Clear indicators and annual milestones will be used to gauge progress in each priority area.

A non-exhaustive list of the indicators could include:

- ☐ Number of policies issued
- ☐ Status of systems operation (yes/no),
- ☐ Number of people trained,
- ☐ Number of pilot projects launched, etc.

An annual implementation report will be prepared and shared with key stakeholders and development partners to report

achievements and flag issues.

The 2028 **mid-term review** will provide an opportunity for course correction. It is recommended to be conducted by independent evaluators or advisors. Given the dynamic nature of carbon markets, the roadmap will remain a living document. If the mid-term review finds, for instance, that some activities are lagging or external conditions have changed (such as new international rules), the TWG can adjust timelines or add complementary actions.

By 2030, the final evaluation will not only assess outcomes but also recommend how the institutional mechanisms put in place (like the inter-agency council and registry) can continue operating beyond the roadmap period, and how new opportunities or requirements in the evolving carbon market can be integrated into Philippine policy.

3. **Financing the Roadmap:**

Implementing the roadmap will require financial resources, and a combination of domestic funding and international support is necessary. The DENR will allocate budgetary resources to priority activities (policy development, system development, capacity building workshops, etc.) through its annual budget process and in coordination with the CCC for climate-related expenditures. The roadmap also explicitly seeks to **mobilize external funding**: grants and technical assistance from development partners (such as ADB, World Bank, UNDP, and others) are already contributing to many readiness activities. This support is expected to continue and expand, especially for technical studies, system development (e.g., registry software), and training programs.

Moreover, a component of the Article 6 policy framework is to establish a **revenue collection mechanism**. This may begin as an initiative to cover costs for the operations of the national registry but may also consider the use of proceeds to finance government-led forest restoration projects.

The roadmap's funding strategy is thus two-pronged: secure immediate resources for readiness (which are relatively modest investments in policy and capacity) and create the mechanisms to unlock much larger private finance flows into actual projects.

Throughout implementation, transparency and stakeholder engagement will be maintained. The roadmap's progress will be communicated periodically to stakeholders, including through the national information hub once operational. Stakeholders

such as civil society, investor groups, and community representatives will have avenues to provide feedback on implementation (for example, through annual forums or the CEPA program activities). This inclusive approach helps ensure that the roadmap's execution remains on track and accountable to those it is intended to benefit.

In summary, the implementation plan is comprehensive and adaptive. It lays out a clear sequence of actions and assigns responsibilities, while also incorporating feedback loops (through M&E and reviews) to adjust as needed. By establishing a clear leadership structure, coordinating across government, and securing funding, the Philippines aims to successfully carry out this roadmap and emerge by 2030 with a fully functional and integrated approach to implementing forest carbon in the voluntary market.

VII. **Collaboration and Partnerships**

Successful implementation of the forest carbon roadmap hinges on strong collaboration among a wide range of stakeholders. The complex nature of carbon market readiness – involving policy, technical, financial, and social dimensions – means that no single entity can deliver all outcomes alone. This section outlines the key partners and their roles, highlighting institutional responsibilities and opportunities for collaboration:

A. **Government Leadership (National Agencies):**

The section below presents an outline of the organizational roles and responsibilities. These are to be established by the Article 6 policy framework and are thus subject to change.

The **DENR** will serve as the lead agency, providing overall stewardship of the roadmap and acting as the national authority on forest carbon projects. Within DENR, the Forest Management Bureau (FMB) will coordinate technical forestry aspects, and the Climate Change Service will ensure integration with climate policy.

The **Climate Change Commission (CCC)** will collaborate closely with DENR to align the roadmap with the Philippines' climate change strategies and NDC commitments, and to elevate issues that require high-level policy decisions.

The **Department of Finance (DOF)** will lead the development of financial aspects under its mandate, such as the design of the compliance market, carbon pricing, and designing revenue collection schemes.

The **National Commission on Indigenous Peoples (NCIP)** will be

a critical partner for projects on ancestral lands, coordinating with the DENR to address conflicts over land tenure, ensuring FPIC processes are properly carried out and making sure that indigenous rights are protected.

The **Department of the Interior and Local Government (DILG)** will help mobilize and guide LGUs in their roles and also coordinate with the DENR to address issues of overlapping land tenure;

the **Department of Energy (DOE), the Department of Agriculture (DA), Department of Transportation, Department of Trade and Industry** and other sectoral agencies will be asked to provide technical expertise and for their carbon projects within their respective sectors; and Department of Economic Planning and Development (DepDev), can integrate the roadmap's initiatives into national development planning. The Inter-agency Steering Committee on Carbon Markets will formalize this collaboration, with each agency having clear responsibilities such as providing policy inputs, technical support, or oversight in accordance with their respective mandates.

B. Local Governments and Communities:

Local Government Units (provinces, municipalities, and barangays) are on the front line of implementation for many forest carbon projects.

LGUs will collaborate by:

- helping ground truth suitable project sites,
- supporting community engagement,
- aligning local development plans with the proposed forest carbon initiatives,
- enforcing local environmental regulations that complement carbon project goals (like forest protection ordinances).

Local communities and Indigenous Peoples are indispensable partners as stewards of the land. Their participation will be facilitated through consultations, consent processes, and involvement in project design and benefit-sharing agreements. Communities will often serve as workforce and co-implementers for reforestation, forest monitoring, and maintenance activities. The roadmap stresses equitable **benefit-sharing**, meaning communities should be the target of monetary or non-monetary benefits (livelihood projects, improved ecosystem services, capacity building) from carbon projects. Building trust and ensuring that projects respect local knowledge and rights are paramount and can be achieved through close collaboration with community leaders, councils, and indigenous elders at every stage.

C. **Private Sector (Project Developers and Investors):**

The private sector's role is central in scaling up forest carbon projects. **Project developers**, which can include domestic companies, international carbon project firms, or NGOs acting as developers, will bring the technical expertise to design projects according to voluntary carbon market standards (VCS, Gold Standard, etc.), invest capital, and manage project execution. They will work under the framework established by the government but the government will need to establish a collaborative relationship that facilitates obtaining approvals, sharing monitoring data, and ensuring adherence to safeguards. **Investors and Carbon Buyers** (such as corporations with net-zero commitments, or carbon funds) are expected to finance project activities in return for the generated carbon credits. The government will engage with these investors to communicate the opportunities in the Philippines and are expected to provide assurances of market integrity (through the registry and policy framework). Public-private partnerships might be forged where appropriate – for instance, a private investor working with a government-owned and controlled corporation or LGU to implement a project on public land. The roadmap's success will depend on how effectively it can attract and retain credible investors; thus, a partnership approach that offers transparency, investment opportunities, and risk mitigation (through clear rules) will be maintained to keep private stakeholders committed.

D. **Academic and Research Institutions:**

Universities and research organizations in the Philippines will be engaged to provide technical support and independent insights. Institutions such as the University of the Philippines Los Baños (with its forestry expertise), the Ecosystems Research and Development Bureau (ERDB of DENR), State Colleges and Universities, research academic institutions, and think tanks can collaborate by conducting research on carbon stock assessments, climate projections, and socio-economic impacts of projects. They will also assist in developing and delivering capacity-building curricula – for example, training courses on forest carbon accounting, remote sensing techniques, or community-based resource management. By partnering with academia, the roadmap ensures that implementation is informed by science and that innovation (such as new MRV technologies or silvicultural methods to increase carbon sequestration) is incorporated. Academic institutions may also help in **monitoring and evaluation**, offering independent evaluation of pilot projects or the overall roadmap progress.

E. **Civil Society and Non-Governmental Organizations:**

NGOs, environmental groups, and community-based organizations (CBOs) have a dual role as facilitators and watchdogs. Many NGOs in the Philippines have deep experience in community

forestry, biodiversity conservation, and rural development. They can partner with government and private developers to mobilize communities, conduct education campaigns, and ensure that social and environmental safeguards are upheld on the ground. For instance, NGOs might run livelihood programs alongside carbon projects or serve as intermediaries to resolve conflicts. At the same time, civil society will provide external oversight – monitoring that projects deliver promised benefits and do not harm local people or ecosystems. The roadmap implementation will involve NGOs through formal channels (such as representation on consultative committees, participation in annual forums) and informal feedback mechanisms. By collaborating with civil society, the government can improve project design (through feedback) and build broader public support for forest carbon initiatives.

F. **International Development Partners and Agreements:**

Collaboration with **international partners** will continue to be a cornerstone of the roadmap's execution. Multilateral agencies like **UNDP, ADB, and the World Bank** will remain engaged, providing technical assistance, capacity building, and possibly funding for specific components (e.g., developing the national registry platform, or conducting policy studies for carbon pricing). Bilateral partnerships, such as the **Philippines-Singapore MOU on carbon trading** or the **Joint Crediting Mechanism with Japan**, will be operationalized to pilot actual credit transfers and learn from those transactions. The Philippines will coordinate with these partners to ensure mutual benefits – for example, Singapore may receive high-quality credits while the Philippines receives investment and technology transfer. The country's involvement in international coalitions like the **Blue Carbon Action Partnership** will foster knowledge exchange with other countries working on coastal carbon, which can enrich domestic practices. Development partners can also help channel results-based finance (payments for verified emissions reductions) to Philippine projects once they start delivering results, thus rewarding performance. Regular donor coordination meetings will be held to align the contributions of different partners with the roadmap's needs, avoiding overlap and leveraging each partner's strengths.

In essence, the roadmap's collaborative approach is about building a **broad coalition for climate action** focused on forests. Each stakeholder group has distinct but complementary roles: government provides governance and coordination, communities and local authorities manage and protect resources, the private sector brings investment and efficiency, academia offers knowledge, civil society ensures accountability, and international partners contribute expertise and funds. By fostering open communication, transparency, and shared goals among these groups, the Philippines can create a synergistic effort much greater than the sum of its parts.

Institutional responsibilities for forest carbon projects have been clearly delineated in the planning process (and are summarized in the table below), but it will be the spirit of partnership and continuous dialogue that ultimately determines success. High-level decision-makers need to champion this collaborative model, sending the message that climate change mitigation through forest carbon is a national undertaking that welcomes all stakeholders. Through sustained partnerships, the Philippines aims to not only implement this roadmap effectively but also to build a lasting framework for forest governance and climate collaboration that endures well beyond 2029.

Stakeholder Group	Key Agencies	Roles and Responsibilities
National Government Agencies	DENR (Lead)	- Overall policy leadership; - Establish policy framework; - Chair Technical Working Group on Carbon Markets
	DENR-FMB	Forestlands, Protected areas and National Parks
	DENR-BMB	Mangrove Restoration and Seagrass beds
	DOF	Fiscal and market regulations, including taxation and carbon trading
	CCC	Ensure alignment with national climate policy.
	NCIP	Safeguarding indigenous peoples' rights (NCIP) and FPIC processes
	DILG	Mobilization and guidance of local government units
	DEPDev (NEDA)	Integration of VCM into national development planning
Local Governments and Communities	LGUs, Community Councils, Indigenous Peoples	- Facilitation of community engagement and FPIC processes - Implementation and local enforcement of forest carbon projects - Benefit-sharing and ensuring equitable local outcomes
Private Sector	Project Developers, Investors, Carbon Buyers, NGOs	- Project investment, design, and execution - Adherence to national regulatory frameworks and standards - Provision of project finance and market creation through carbon credit purchases - Coordination with DENR for project development

Academic and Research Institutions	Universities (e.g., UPLB), ERDB, Think Tanks	• Conducting technical and socio-economic research • Developing educational and capacity-building programs • Supporting innovations in MRV technologies and methodologies • Providing independent project implementation services
Civil Society and NGOs	Environmental NGOs, Community-based organizations	• Facilitating community mobilization and education campaigns • Ensuring social and environmental safeguards • Monitoring project implementation and ensuring accountability • Advocacy and external oversight roles
International Development Partners	UNDP, ADB, World Bank, bilateral partnerships, Blue Carbon Action Partnership	• Providing technical assistance and funding for roadmap activities • Supporting policy development, capacity building, and registry creation • Facilitating pilot international carbon credit transactions • Enabling results-based finance and knowledge exchange

Table 2: Summary of Institutional Responsibilities for Forest Carbon Projects

Annex A: VCM Roadmap Gantt Chart

	2026				2027				2028				2029				2030			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Policy Framework for VCM Engagement																				
DAO on Forest Carbon Project Guidelines																				
Develop supplementary guidelines to implement DAO provisions																				
Prepare templates for project development																				
Executive Order for DENR as Focal Agency for Carbon Market																				
2025 NDC Update Submitted																				
Article 6 Strategy Document adopted																				
Finalize policy framework for blue carbon credit mechanism and procedures																				
Data Analytics, MRV and Carbon Registry Systems																				
Establish national forest carbon credit database																				
Review existing carbon credit databases/registries																				
Adapt design of database to align with Philippine carbon policies and other information systems																				

Undertake user acceptance testing																			
Roll out carbon credit database																			
Establish links with international and national carbon registries																			
Engage project developers with existing and pipeline projects and register with forest carbon credit database																			
Establish operational links with national and international carbon registries																			
Establish linkage with national GHG reporting system and submit regular reports																			
Institutional Mechanisms and Capacity Building																			
Establish and strengthen institutional mechanisms																			
Define specific roles and responsibilities of DENR offices																			
Establish procedures and detailed responsibilities between DENR, NCIP, PAMBs, LGUs, IP and local communities																			
Conduct orientation																			
Capacity building and awareness raising																			

Forge partnerships with universities and research institutions for curriculum development , research and formation of Expert Groups																		
Roll out capacity building programs, including training																		
Develop and implement structured CEPA program																		
Sustainable Financing and Market Development																		
Conduct study on revenue sharing of proceeds, including feasibility of reflows																		
Study feasibility of carbon revenue taxation and management of proceeds, including revenue sharing																		
Develop sustainable financing instruments																		
Study feasibility of incentives																		
Engage with private sector to assess investment risks and identify measures																		
Evaluate pilots and policy effectiveness																		
Identify implementation bottlenecks																		
Conduct Mid-Term Review																		
Refine Policies based on Pilot Feedback																		
Adjust roadmap goals and actions																		

