

Leveraging Public-Private Sector Partnerships in ICM through Corporate Social Responsibility

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Key Message

- Increased private and corporate sector consciousness in sustainable development initiatives can result in increased environmental investments. This provides new opportunities for national and local governments.
- Integrated coastal management (ICM) is a practical platform for implementing private and corporate sector social responsibility initiatives. It enables the sector to identify and contribute to social, economic, and ecological objectives that are highly relevant to their respective businesses and the communities in which they operate.
- Innovative public-private partnership arrangements among national agencies, local governments, communities, and the corporate sector can enhance marine and coastal governance through shared values, responsibilities, and investments among the partners.

Abstract

Currently, there is an increasing trend in the private and corporate sector consciousness for the need to pursue sustainable development initiatives. Through their corporate social responsibility (CSR) arm, many corporations perceive this as an opportunity to create social and economic impacts in the community. On the other hand, many local governments have not been able to fully capitalize on the interests of the private and corporate sector to engage in environmental initiatives.

The public-private partnerships (PPP) in the Provinces of Bataan and Batangas in the Philippines as presented in this case study confirm the benefits of these collaborative efforts. The local governments were able to engage the private sector in the implementation of their respective ICM programs. The President of the Philippines also created Executive Order No. 533, an environmental policy encouraging the private sector's investment in sustainable



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This case study is part of the book: Chua, T.-E., L.M. Chou, G. Jacinto, S.A. Ross, and D. Bonga. (Editors). 2018. Local Contributions to Global Sustainable Agenda: Case Studies in Integrated Coastal Management in the East Asian Seas Region. Partnerships in Environmental Management for the Seas of East Asia (PEMSEA) and Coastal Management Center (CMC), Quezon City, Philippines.

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development. With these developments, corporations were able to transform their CSR principles into ICM actions and eventually assumed leadership roles in the process, especially in mobilizing the private sector community.

The Bataan Integrated Coastal Management Program (BICMP) and the Batangas Coastal Resources Management Foundation (BCRMF) were among the outcomes of the partnerships. Some of their initiatives included solid waste management, coral reef rehabilitation, public awareness, and public participation (e.g., coastal cleanup).

The establishment of these PPP greatly contributed to the maturation of the ICM practice in both provinces. Nevertheless, the private sector efforts could still be improved through: better appropriation of private funds for social ends; inclusion of other stakeholders in PPP; venturing in CSR investment opportunities; and playing a more proactive role in ICM activities especially among the members of the private sector community.

Background

Corporations around the world as well as their shareholders are becoming increasingly conscious of the need for socially responsible behavior. While corporate objectives normally revolve around financial returns, many corporations see a social and economic value in making a difference in the community in the form of CSR (McElhaney, 2009; Cardinal, 2012). This creates an opportunity for the local government and the private/corporate sector to forge partnerships especially in pooling resources in project implementation to maximize social and environmental impact (PEMSEA, 2004; Cardinal, 2012).

Although there is a considerable increase in private sector participation in environmental initiatives, the potential to engage this sector has not yet been fully capitalized by local governments. This was evident

in many ICM sites with a low percentage of private sector participating in ICM programs compared to the total number of private sector situated in the ICM sites (Cardinal, 2012). A conscious effort was needed from the local government in order to tap the potential resources and expertise from the private sector (Erni, 2013).

Approach and Methodology

Local governments of Bataan and Batangas have engaged the private and corporate sector in the implementation of their respective ICM programs. The corporate sector contributed by:

- participating in the multisectoral coordinating council of the ICM program of the local government;
- providing input to planning and development activities of the ICM program;
- providing access to resources, skills, equipment, and facilities in support of ICM program activities and events; and
- acting as a catalyst to increase awareness and promote community and corporate participation in coastal resources management.

A number of good practices in corporate sector engagement demonstrated the effective collaboration between the local government and the corporate sector. The following were some key efforts undertaken by both, in Bataan and Batangas:

1. Create a policy environment for private sector investment in sustainable development. In the Philippines, ICM was adopted as the “national strategy to ensure the sustainable development of the country’s coastal and marine environment and resources” with the issuance of Executive Order No. 533 (2006). Section 7 of the policy provided that the corporate and private sector, among others, “shall be engaged in...planning, community organizing, research, technology transfer,

information sharing, investment, and training programs in the development and implementation of the ICM program”.

The national policy bolstered local initiatives in developing and scaling up ICM implementation in Bataan and Batangas Provinces, and highlighted the objectives and potential role that the private sector could and should play in the program. This cleared the way for more substantive efforts on the part of local governments across the country to better engage the private sector, with Bataan and Batangas providing on-the-ground examples of how the local government and the private sector both benefited from this shared responsibility.

2. Transform CSR principles into ICM actions.

While businesses and corporations worldwide were increasingly becoming responsive to standards of socially responsible behavior and sustainable development, the private sector needed to better understand ICM and the opportunity it provided for greater on-the-ground actions, leading to improvements in governance and management of coastal and marine areas, resources, and economies. A deeper understanding of the ICM framework opened doors of opportunities for companies where they could maximize their CSR investments and initiatives.

The following actions were employed by the ICM Project Management Offices (PMO) to better engage the private and corporate sector:

1. identifying/understanding objectives of existing CSR programs within the ICM site;
2. organizing individual/corporate briefings with existing CSR practitioners to build awareness of ICM and its objectives, and how the private sector can get involved;
3. engaging corporations in planning and development of ICM programs, including coastal strategy/coastal strategy implementation plan (CS/CSIP);

4. in collaboration with local government, corporates, and other stakeholders, delineating specific actions for CSR/private sector initiatives within ICM governance mechanism and CSIP; and

5. forging partnership agreements with corporations/foundations of corporates to implement specific actions within CSIP, including, for example, commitments to awareness building, biodiversity conservation and restoration, pollution reduction, food security, alternative livelihoods, and climate change and disaster risk reduction.

3. Find a corporate champion to mobilize the private sector/corporate community.

In Bataan, Petron Corporation recognized the potential value and benefit of ICM in relation to its CSR program (Petron Corporation, 2011, 2012). Petron did not merely participate as a stakeholder, but assumed a leadership role in the process, rallying other members of the corporate community. Eventually, the corporate sector established the Bataan Coastal Care Foundation, Inc. (BCCFI), comprised of 15 corporate members, supporting the ICM program. This was a remarkable display of commitment to the ICM program, in partnership with the Provincial Government, which continued for more than 12 years (Erni, 2012, 2013).

Results

Province of Bataan

The BICMP showcased the effective partnerships among various stakeholders in the Province of Bataan, including the private sector. BICMP actions included annual coastal cleanups, improvements in solid waste management, establishment of sewage treatment facilities, support for livelihood programs, and the formulation and enforcement of the Coastal and Land-Sea Use Zoning Plan (CLSUZP) of the province (Erni, 2012, 2013).

The provincial CLSUZP was developed and adopted in 2006 with the support of BCCFI. It served to identify and protect designated uses of coastal areas (land and sea), eliminate illegal and uncontrolled use of those areas, and reduce adverse environmental impacts of coastal activities. It also helped to address the multiple resource use conflicts in Bataan, including informal settlers, illegal and destructive fishing methods, land and sea-based pollution, and degradation/destruction of habitats and consequential impacts like siltation and sedimentation.

In addition, a series of tangible and intangible outcomes of the PPP in Bataan resulted in: (1) demonstrable improvement in environmental conditions in Bataan; (2) strengthening of development and management of coastal areas through sharing of corporate expertise and technical and scientific support; and (3) long-term solutions toward sustainable development (Box 1).

Indeed, the Provincial Government of Bataan and the private sector's efforts paid off, as BICMP was repeatedly recognized as an ICM model worthy of replication nationwide and in the East Asia region, with numerous awards and citations for Petron as the lead private sector collaborator in the program.

Province of Batangas

Over the years, significant progress was made in expanding the Batangas Province's ICM strategy for sustainable development of the coastal and marine areas, in collaboration with the private sector and other stakeholders. A key player in the program, BCRMF was established in 1991, through the efforts of the provincial governor and five of the largest companies in the province: Pilipinas Shell, Caltex Philippines, Chemphil Albright Philippines, AG&P Inc., and General Milling Corporation. The BCRMF initially organized events to raise awareness on the coastal and marine environment of the Batangas Bay, though lacking in strategy

Box 1. Key accomplishments of Bataan Province and BCCFI. (PMO-Bataan ICM Program, 2006; Erni, 2012, 2013)

- At present, BCCFI has 15 member companies.
- Implementation of Bataan's CLSUZP with technical descriptions for the establishment of municipal water boundaries was certified by the National Mapping and Resource Information Authority, and a unified zoning ordinance was drafted with the objective to govern the CLSUZP implementation for the whole province.
- Integration of the Land and Water Use Development Plan for the Municipality of Abucay as part of the Comprehensive Land Use Plan was completed.
- Mangrove planting was conducted annually, covering a total of at least 45 ha, with 47,000 seedlings and 337,000 propagules planted.
- Regular coastal cleanup activities were conducted covering 156 km (about 83%) of the 188-km coastline of the province.
- Regular Talisay River cleanup was completed, which is a major tributary of Manila Bay.
- The Ecological Waste Management Program was established.
- Artificial reefs (at least 600 units in the municipal waters of Limay, Mariveles, and Orion) and fish sanctuaries were established.
- Bataan was identified as a birdwatching site in the Philippines with over 12,500 bird count and 38 species (2015).

relative to coastal resources management (CRM) (PEMSEA, 2006).

The selection of Batangas Bay as a national ICM demonstration site in 1994 provided a more focused direction to the foundation and served as a channel for private sector investment in ICM. A Project Coordinating Committee was organized to coordinate

the implementation of the ICM program (i.e., the committee eventually evolved into the Batangas Bay Region Environmental Protection Council [BBREPC]), which created an effective platform for the private sector to participate, channel its expertise, and better define the objectives and expectations of its CSR program. The corporate sector became an active participant in the BBREPC, including the planning and development of the ICM program (Chua, 2006; PEMSEA, 2006).

As an active participant, BCRMF provided funds, staff, and other logistical support for the implementation of the ICM program, covering such activities as public awareness, coastal cleanups, coral reef rehabilitation, and monitoring of environmental changes in Batangas Bay. Other companies such as First Gen, Inc. and the Malampaya Foundation were also active private sector partners, whose activities included artificial reef monitoring, mangrove rehabilitation, waste management, marine protected area management, biodiversity conservation in the Verde Island Passage, disaster preparedness and response, and capacity building for waste management and law enforcement (Box 2).

The Province of Batangas scaled up its ICM program from Batangas Bay to the entire coastline of the province. Central to this feat was the proactive involvement of the corporate sector.

Lessons Learned

Public-private partnerships (PPP), which are broadly defined as collaborations between government and nongovernment actors to achieve mutually defined goals, offer one way to steer CSR funds toward coastal and marine development priorities of local governments. The ICM framework and process enhanced opportunities for collaboration between public and private sector partners, and based on the experiences of Bataan and Batangas, improved the targeting of private funds for social ends, thereby increasing the development impact of their CSR activities compared with independent CSR initiatives.

Extending PPP to include other stakeholders who are dependent on and/or benefit from coastal and marine resources can further increase the impact of

Box 2. Support made by First Gen, Inc. and Malampaya Foundation to the Province of Batangas.



Calatagan Sea Patrol



Nasugbu Sea Patrol



Calatagan Rescue Operation



*Mabini-Tingloy Joint
Rescue Operation*



*Mabini Sea Patrol with local
Philippine National Police*

the partnership investment and ensure sustainability. While PPP can enhance the development impact of CSR, partnerships that embrace a participatory element may further advance social goals. The Bataan and Batangas experiences demonstrated the benefit of involving coastal communities, universities, local groups/organizations and other members of the community (i.e., women, youth, fishers) under a coordinating mechanism to plan and implement ICM programs, in which:

- Government partners were oriented toward general development goals (i.e., social, economic, and environmental benefits) in the coastal area;
- Private partners brought the business acumen into the planning and implementation process; and
- Community representation ensured consideration of local priorities, risks, and benefits in the program.

Engaging these different stakeholders in a partnership reduced project costs, targeted benefits across sectors, and improved sustainability as the local community gained greater ownership over project activities.

CSR investment opportunities facilitated by the local governments through policy reforms encouraged private sector investment. Some of these opportunities included: (1) solving environmental problems at the community level (e.g., pollution control, waste management, restoration of habitats, access to safe drinking water); (2) developing sustainable environmental enterprises (eco-tourism, sport fishing, and sustainable aquaculture, manufacturing, and trade); (3) strengthening and facilitating the participation of Small and Medium Enterprises (SMEs) and informal enterprises; and (4) “living” with the universal principles identified in Agenda 21.

Quite understandably, the corporate sector needs to establish the business case for its CSR activities. As the concept of CSR continues to evolve, so are the means and tools to quantify the benefits — perceived or otherwise — that should aid them in their decisionmaking. Clearly, the notion of “triple bottom line” or sustainable responsible business, along with the numerous CSR approaches and cost-benefit analysis methodologies suggest a growing regard for the environment and stakeholders.

A champion for ICM among the members of private sector. As in the case of Bataan and Batangas Provinces, there was a need for a champion among the members of the private sector—be it a corporation (Petron Corporation and First Gen) or an individual or prominent personality that provided a face to private sector participation in ICM. Greater involvement of corporations in ICM projects likewise enhanced their perceived social license to operate, decreased regulatory risks, and benefited from the sharing of resources, opportunities, and risks that ICM partnerships brought. The benefits to corporations were greatly enhanced through corporate networking as demonstrated in [Box 3](#).

Acknowledgment

The authors express their appreciation for the support extended by the following: from Batangas, Philippines: Luis Awitan, Department Head, PG-ENRO, Batangas Province; from Bataan, Philippines: Camille B. Buenaventura, President, Bataan Coastal Care Foundation, Inc., and Executive Director, San Miguel Foundation, Inc.; Charmaine V. Canillas, Vice President, Bataan Coastal Care Foundation, Inc., and AVP-Corporate Affairs, Petron Corporation and GM, Petron Foundation, Inc.

Box 3. Benefits of a corporate network.

- The opportunity to advance sustainability solutions in partnership with a range of stakeholders, including the PEMSEA Network of Local Governments (PNLG), UN agencies, civil society, labor, and other nonbusiness interest groups.
- Access to opportunity briefs for corporate responsibility from PEMSEA publication; national and local governments; and PNLG on programs to be initiated and implemented in the East Asian region.
- Institutional strengthening, capacity building, and information exchange on skills, best practices, and knowledge related to the ICM implementation as a framework for corporate social responsibility systems.
- Opportunity for award and recognition for initiatives on practices related to ICM and the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA).
- Branding of company-funded projects with an international development agency.

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