



PROPOSAL: MINDANAO GREEN MATERIALS CORRIDOR PROJECT

Enrollment as a National Strategic Pilot for Domestic Carbon Accreditation

SUBMITTED TO: The Regional Executive Director, Department of Environment and Natural Resources (DENR), Region XII

SUBMITTED BY: NovaTerra Materials Ltd. (NTM) & Indigenous Peoples Economic Enterprises (IPEEI) Inc.

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1. Strategic Context: The MOGMC Initiative

The **Mindanao-Ontario Green Materials Corridor (MOGMC)** is a proprietary, trans-Pacific supply chain initiative and an end-to-end industrial ecosystem that integrates formal carbon stewardship directly into the advanced manufacturing of NovaTerra-Core Auto™—a proprietary Abaca-based biopolymer masterbatch pellet engineered to replace petroleum-based glass fibers in the North American electric vehicle (EV) market.

The project perimeters initially encompass a Phase 1 Area of Interest (AOI) of approximately **Two Hundred Fourteen Thousand (214,000) hectares** of land, plateaus, creeks, lakes, and springs situated across the Municipalities of Senator Ninoy Aquino, Palimbang (Sultan Kudarat), and Lake Sebu (South Cotabato). This foundational area operates under a dynamic scale-up framework, with options to extend up to Five Hundred Thousand (500,000) hectares of regional ancestral lands through subsequent administrative phases.

This stewardship involves a permanent commitment to forest protection, which explicitly prohibits traditional extraction (mining) within the active Ancestral Domain footprint. It deploys an active afforestation, reforestation, and revegetation strategy leveraging high-sequestration biological assets—specifically through the systematic planting and propagation of **Giant Bamboo (*Dendrocalamus asper*) seedlings** and Abaca (*Musa sapientum*)—to generate high-integrity carbon units under Afforestation, Reforestation, and Revegetation (ARR) methodologies.

The project also includes plans for the revegetation and land rehabilitation of an initial 500 hectares of land with bamboo seedlings within the Area of Interest (AOI). This pilot is designed to expand into a major initiative of the MOGMC, generating significant social and environmental benefits such as enhanced carbon sequestration, soil stabilization, the creation of local economic opportunities, equitable jobs, and specialized training for community-led stewardship.



2. Executive Summary & The "Sovereign-First" Pivot

NovaTerra Materials Ltd. seeks the DENR's official partnership to designate the MOGMC as a National Strategic Pilot. This project represents a paradigm shift from traditional international carbon offsetting to high-tech domestic carbon insetting.

The formal Free and Prior Informed Consent (FPIC) documentation for the initial 214,000-hectare Phase 1 project area is currently in process and will serve as our official record of social accountability.

To align with the Philippines' new *Roadmap to Readiness in the Voluntary Forest Carbon Market (2026–2030)*, NTM is pivoting away from foreign, third-party private auditors (e.g., Verra). Instead, NTM seeks a "Sovereign-First" domestic accreditation. This ensures that the environmental integrity of the abaca supply chain is backed directly by the Philippine State, a move aligned with the criteria for Canadian institutional grant programs (NGen) and the UNDP/Government of Canada Accelerating Green and Climate Finance Project. Please note that formal applications for NGen funding are currently in the preliminary qualification stages, pending the successful joint R&D graduation of our Abaca-based biopolymer pellets to Technology Readiness Level 8 (TRL-8) with DOST-ITDI.

3. The "Whole-of-Government" MOGMC Ecosystem

The MOGMC is structured to ensure the Philippine government is a co-creator and direct beneficiary of this global supply chain. The project operates on four sovereign pillars:

- **Pillar 1: Sovereign Innovation (DOST-ITDI Partnership):** Preliminary discussions have already commenced between NTM and the Department of Science and Technology - Industrial Technology Development Institute (DOST-ITDI). The DOST-ITDI is to serve as the joint R&D engine to formulate the chemical IP and scale the NovaTerra-Core Auto™ pellet to Technology Readiness Level 8 (TRL-8).
- **Pillar 2: Sovereign Supply & Accreditation (DENR & IPEEI):** Utilizing the initial 214,000 hectares of ancestral domain (expandable to 500,000 hectares) to provide an ethically secured, high-volume supply of raw materials fueled by community-led **afforestation, reforestation, revegetation**, validated by the DENR's domestic carbon registry.
- **Pillar 3: Sovereign Accountability (NCIP Integration):** As the Sovereign Auditor, the National Commission on Indigenous Peoples (NCIP) is formally integrated to protect Indigenous rights and strictly monitor the financial distribution of carbon revenue to the indigenous community.
- **Pillar 4: Global Scale (NGen Canada):** Exporting the DOST-validated technology and DENR-accredited materials to Ontario, Canada, to leverage advanced manufacturing



grants for high-volume automotive production. Unlocking this manufacturing capital is directly sequenced after our TRL-8 graduation with DOST-ITDI.

By supporting Pillar 2, the DENR ensures that the groundbreaking technology being developed by DOST-ITDI is backed by a fully traceable, state-accredited sustainable supply chain.

4. The Public-Private-Community Partnership (PPCP) Model

The MOGMC project positions the DENR as the Sovereign Accreditor through CAVCS, moving beyond a simple "regulator-regulated" dynamic into a co-implementation framework.

- **State-Developer Alignment (NRDC Co-Implementation):** The DENR and its corporate arm, the Natural Resources Development Corp. (NRDC), are engaged as technical partners. This status facilitates the exchange of spatial datasets and baseline information, significantly reducing project lead times.
- **Data Integration (PENCAS):** As a PPCP pilot, the project will utilize government-led PENCAS natural capital accounts to establish scientific baselines, eliminating the need for costly independent satellite baseline development.
- **National Strategic Pilot:** We seek designation as a "National Strategic Pilot" under the Roadmap to Readiness in the Voluntary Forest Carbon Market (2026–2030) and alignment with DAO 2026-05.

5. Support Requirements from DENR

To execute this domestic accreditation, NTM requests the following specific policy and technical support:

- **Granular Data and Geospatial Integrity:** Access to certified GPS Polygon maps of all project areas and granular carbon sequestration data required for domestic accreditation. Currently, internal spatial mapping remains fragmented; however, we have successfully attained copies of the respective land titles and preliminary boundary maps from the Department of Energy (DOE) originating from past localized queries. We require the DENR's official, certified spatial data to cross-reference and consolidate these existing files into a unified baseline covering the initial 214,000 hectares. This high-integrity data is a non-negotiable requirement for Canadian institutional ESG due diligence to prevent "leakage" and is essential for quantifying Certificates of Emissions Avoided (CEA).
- **Letter of Intent (LOI) for NRDC Co-Implementation:** Formal endorsement to partner with the NRDC to access historical forestry baselines and spatial data.
- **CAVCS and National Registry Integration:** A confirmed roadmap for integrating the initial 214,000 hectares (along with future expansion plots) into the DENR's National Forest Carbon Credit Database to track active **afforestation, reforestation and**



revegetation metrics and carbon accumulation profiles.

- **Fee Waivers:** Granting NTM and IPEEI official status as Co-Proponents to trigger administrative fee waivers pursuant to DAO 98-43.

APPENDIX: Glossary of Agencies and Policies

- **ESG:** Environmental, Social, and Governance; The non-negotiable criteria for Canadian institutional due diligence that assesses the project's environmental integrity, social accountability, and governance structure.
- **AOI:** Area of Interest; The specific geographic boundary of 214,000 hectares with scalable pathways up to 500,000 hectares is under carbon stewardship.
- **ARR:** Afforestation, Reforestation, and Revegetation; the specific carbon methodologies being leveraged for the planting of Giant Bamboo and Abaca to generate high-integrity carbon units and essential co-benefits such as soil stabilization
- **CAVCS:** Philippine Carbon Accounting, Verification, and Certification System; the DENR's domestic registry used for validating and legally recognizing carbon sequestration data.
- **CEA:** Certificates of Emissions Avoided; A certificate issued by the DENR, essential for quantifying the carbon benefit from the project's forest protection activities and required for Canadian institutional ESG due diligence.
- **DAO 2026-05:** DENR Administrative Order 2026-05, aligning with the Voluntary Forest Carbon Market Roadmap; the policy under which the MOGMC seeks designation as a "National Strategic Pilot".
- **DAO 98-43:** DENR Administrative Order 98-43, used to trigger administrative fee waivers; the order requested to exempt NTM and IPEEI from administrative fees upon gaining Co-Proponent status.
- **DENR:** Department of Environment and Natural Resources; the Philippine government agency serving as the Scientific Validator and Sovereign Accreditor for the domestic carbon registry.
- **DOST:** Department of Science and Technology; the overarching department that houses the ITDI, which serves as the government's joint R&D engine for the biopolymer technology.
- **IPEEI:** Indigenous Peoples Economic Enterprises Inc.; the Land Steward and Asset Creator responsible for the active conservation of the 214,000 hectares with scalable pathways up to 500,000 hectares of ancestral domain.
- **IPCC Tier-3:** Intergovernmental Panel on Climate Change Tier-3; The most granular and



accurate carbon accounting methodology preferred by G7 nations, which the project utilizes to align with PENCAS baselines.

- . **IPRA:** Indigenous Peoples' Rights Act; the Philippine law that affirms indigenous communities' rights to their ancestral domains, which is used to define carbon credits as "Stewardship Outputs".
- . **ITDI:** Industrial Technology Development Institute; the research arm of DOST that is the joint R&D engine with NTM to scale the NovaTerra-Core Auto™ pellet to Technology Readiness Level 8 (TRL-8).
- . **MOGMC:** Mindanao-Ontario Green Materials Corridor; the proprietary, trans-Pacific supply chain initiative that integrates carbon stewardship into the advanced manufacturing of biopolymer pellets.
- . **NCIP:** National Commission on Indigenous Peoples; the Sovereign Auditor mandated to protect Indigenous rights and monitor the financial distribution of carbon revenue to the IPEEI community.
- . **NGen:** Next Generation Manufacturing Canada; a federal Canadian grant body providing matching funds for advanced manufacturing projects, which NTM aims to unlock to build its domestic manufacturing footprint.
- . **NRDC:** Natural Resources Development Corp.; the DENR's corporate arm that will serve as a technical co-partner to facilitate the exchange of geospatial datasets and historical forestry baselines.
- . **NTM:** NovaTerra Materials Ltd.; the Canadian advanced materials company serving as the Project Developer and Financing Partner, pioneering the MOGMC initiative.
- . **PENCAS:** Philippine Emission Net Carbon Accounting System; the government-led natural capital accounting system that the project will utilize to establish scientific baselines for carbon quantification.
- . **PPCP:** Public-Private-Community Partnership; the co-implementation model structuring the project's relationship among the DENR, NTM, and IPEEI.
- . **UNDP:** United Nations Development Programme; an international organization supporting the Accelerating Green and Climate Finance Project, which backs the "Sovereign-First" domestic accreditation pivot.