



APFP-SEApeat

A collaborative efforts towards Sustainable Management of Peatland Forests in Southeast Asia

Report of the 3rd APFP Project Steering Committee Meeting

3 November 2011, Ho Chi Minh City, Viet Nam

INTRODUCTION

1. The 3rd ASEAN Peatland Forests Project (APFP) Project Steering Committee (PSC) Meeting was held on 3 November 2011 in Ho Chi Minh City, Viet Nam. The 1st SEApeat Project Steering Committee was also held concurrently during the 3rd PSC Meeting. The Meetings were attended by representatives from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Viet Nam, the ASEAN Secretariat, and the Global Environment Centre (GEC) as the Regional Project Executing Agency (RPEA). The List of Participants is in ANNEX 1.

AGENDA ITEM 1: WELCOME REMARKS BY PROJECT DIRECTOR

2. The Meeting was chaired by Dr. Raman Letchumanan, Head of Environment Division of ASEAN Secretariat as the Project Director. He emphasized that the project has entered the third year of implementation of its originally planned four-year implementation period. All administrative arrangements should already be in place by the end of this year and the next two years should be focused on site level work that benefits communities. Dr. Raman also highlighted that the project is closely monitored by and regularly reported to the ASEAN Environment Ministers, in various forums, such as the ASEAN Ministerial Meeting on the Environment (AMME), the Conference of the Parties to the ASEAN Agreement on Transboundary Haze Pollution (COP), and the Sub-Regional Ministerial Steering Committee on Transboundary Haze Pollution (MSC/Mekong).

AGENDA ITEM 2: REMARKS BY IFAD REPRESENTATIVE

3. Mr. Roshan Cooke of IFAD expressed his happiness in attending the meeting and reviewing the progress made. He welcomed Singapore and Brunei Darussalam that are participated as self funded project partners. He also thanked the participating countries for the hard work and ASEAN Secretariat and GEC for the leadership. Despite various constraints during implementation, the APFP is clearly making progress.

AGENDA ITEM 3: REMARKS BY HOST COUNTRY, VIET NAM

4. Dr. Hoang Danh Son, Director of Department of International Cooperation and Science & Technology of Vietnam Environment Agency welcomed delegates to Viet Nam. He noted that peatlands have significant importance for socio-economic development and support for the livelihoods of local communities in Viet Nam. Learning from the haze problem caused by farm land and forest fires that occurred in Asia around 1998, peatland fires have become now major problems of global significance that require regional action.



AGENDA ITEM 4: ADOPTION OF AGENDA

5. The Meeting adopted the Agenda, as in ANNEX 2.

AGENDA ITEM 5: MINUTES OF PREVIOUS MEETING AND MATTERS ARISING

6. The Meeting acknowledged that the European Union has provided additional support under the SEApeat Project to expand the project to the Mekong countries, supplement community engagement efforts in Malaysia and Indonesia, and extend Philippines and Viet Nam beyond the two year project period under the APFP. With EU supporting the two projects (APFP and SEApeat), all ASEAN Member States will now be covered. The Meeting therefore agreed to organize the two project meetings together to promote synergies and avoid duplication, while respect the different implementing and reporting requirements for the two projects.

7. The Meeting acknowledged Myanmar's interest to join the APFP Project and willingness to use their GEF country allocation to develop a linked country component. RPEA has assisted the country in preparing a proposal which has been submitted to IFAD. ASEAN Secretariat will provide full support to bring Myanmar on board. IFAD agreed to review the proposal as there are strong justifications to be part of current project and also communicate with GEF to ensure early approval of funding support from GEF.

8. The meeting noted that countries have appointed national coordinators and national experts appropriately. They are required to update the portal website (www.aseanpeat.net) regularly. The existing portal website and Peat Mailing Lists as well as social networking should be used as potential media to promote APFP and get more people involved.

9. Although participants supported the extension of APFP, the project has to make real impact on the ground through concrete programs and activities. Funding and technical support should be provided to implement site level activities in participating countries, rather than just organizing workshops and conducting studies. Incentive options should refer to studies that have been carried out before and future initiatives should be site-focused.

AGENDA ITEM 6: SUMMARY PRESENTATION ON PROGRESS UPDATES OF APFP AND SEAPEAT PROJECT

10. The Meeting noted the presentation of the progress of APFP and SEApeat project presented by Mr. Faizal Parish from RPEA, as in ANNEX 3.

11. The Meeting noted that for Indonesia component, only 11.14% of 2011 budget has been utilized to implement project activities. The remaining activities will be shifted to the 2012 CAWPB. The major constraint in project implementation was reported to be the weak coordination between Ministry of Environment (KLH) and Riau Provincial Environment Agency (BLH). It was reported that KLH has now



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agreed to handle contractual and bidding processes while BLH Riau will execute the activities planned beforehand by KLH.

12. The Meeting also noted that the progress of Malaysia component has been accelerated in the last six months. The NAP was adopted in early 2011 and is planned to be launched in November 2011. Meanwhile, the FDRS system has been developed by MMD for the State of Selangor. Delay on project implementation was reported to be due to a new national fund disbursement procedures such as appointment of consultants.

13. The Meeting noted the substantive progress of the Philippines Component. A study visit by a range of local stakeholders to Raja Musa Forest Reserve and Klias Peat Swamp Forest Reserve in Malaysia was an example of technology transfer and practical training for peatland management among ASEAN countries. Approximately 20,000 Ha in and around Agusan Marsh alone have been assessed and identified as new peatland areas.

14. The Meeting noted that although Viet Nam Environmental Agency (VEA) had received funding in late 2010, the first six months of 2011 were focused on setting up the institutional arrangements for implementation due to changes in personnel and organizational structure in VEA. A general agreement between UMTNP Management Board and VEA on the framework of the project activities at U Minh Thuong National Park (UMTNP) as the priority site has been reached.

15. The Meeting noted significant progress and outputs under the Regional Component as well as the challenges and constraints faced. Activities implemented include conducting Best Management Practice Workshop, FDRS Workshop, training of trainers, directory of peatlands and demo sites. Delay in receiving funds from IFAD and variable rate of progress by the different components have reduced the speed of implementation of the regional components.

16. For Indonesia Component under SEApeat, Riau Province would be the focal area for pilot testing Best Management Practices and incentive options for communities. Needs assessment had been carried out in four districts namely Indragiri Hilir, Siak, Pelalawan, and Rokan Hilir. Activities will be focused on exploring alternative livelihood options, resolving land tenure issues, and engaging private sector, government institutions and communities to reduce fires and haze.

17. For Cambodia and Lao PDR Components under SEApeat, activities have started since February and August 2011 respectively. A ToT training had been conducted in Cambodia, APMS has been translated in both countries, and work plans for 2012 have been endorsed.

18. For Myanmar Component under SEApeat, several activities such as ToT Training, peatland assessment, awareness and educational materials have been planned for 2012 and 2013. The work plan for 2012 has been endorsed and translation of the APMS will be initiated in November 2011.



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19. For Malaysia Component under SEApeat which is carried out by GEC, activities have started in December 2010. The focus is mainly on rehabilitating degraded peatland areas within the APFP pilot site at Raja Musa Forest Reserve, exploring financing options, developing BMPs for peatland, engaging the private sector and local communities, and supporting FDRS pilot testing in Selangor state.

20. The meeting also acknowledged that SEApeat will support Philippines and Viet Nam beyond the two year period under the APFP. A Work plan will be developed for 2012 onwards.

21. The SEApeat project in Thailand is still at the discussion stage. The RPEA will communicate with Thailand to expedite implementation.

AGENDA ITEM 7: 2012 ANNUAL WORK PLAN AND BUDGET OF APFP COMPONENTS

22. Indonesia presented the work plan and budget for 2012 as in ANNEX 4. Convincing justifications are required for proposing more studies and guidelines for 2012 to avoid overlapping and repetition of the similar work at the national and regional level. Site level activities should be the main focus for the next two years. It was also noted that allocation for studies could be reallocated for implementation.

23. Malaysia presented the work plan and budget for 2012 as in ANNEX 5. Devising State Action Plan and a revised management plan for North Selangor Peat Swamp Forest were proposed as the top priority considering the previous management plan for NSPSF (2001-2010) had lapsed. In collaboration with local research institute, the State Action Plan are targeted for mid 2012 and the NSPSF management plan which include such activities as peat profile study, scientific expedition, social economic surveys, and other by the end of 2012. The meeting noted that the initial proposed activities of the State Action Plan should be more focused on identification on stakeholders roles, the management of this peatland for specific benefits, and the proposed activities to be better planned for implementation in order to achieve the objectives and targets for peatland management in NSPSF

24. The Philippines presented the work plan and budget for 2012 as in ANNEX 6. It was noted that development guidelines for oil palm plantation located around the peatland will be established.

25. Viet Nam presented the work plan and budget for 2012 as in ANNEX 7. Outstanding commitments will be completed before 2012 and all remaining project activities are targeted to be completed in 2012. The focus for 2012 will be on implementing the site management plan for U Minh Thuong National Park that includes water management and sustainable livelihoods for local communities.

26. RPEA presented the work plan and budget for 2012 as in ANNEX 8. It was agreed that more effort will be given in maintaining the portal website, promoting APFP and multi-stakeholders collaboration.



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27. The Meeting stressed, once again, the importance to focus on site-level work and scale up the activities at the pilot site, and only to conduct studies and workshops with strong justifications.

28. The Meeting requested the relevant parties to revise the work plan based on the discussions and to submit to RPEA within two weeks. The details of the final work plan, budget and summary of budget will be endorsed as part of the adoption of the Report of the Project Steering Committee Meeting and annexed to this Report.

29. The Summary Budget table for the various components are as follows:

2012 Budget Request Based on Accounting Categories

ACCOUNTING CATEGORY	INDONESIA	MALAYSIA	PHILIPPINES	VIET NAM	REGIONAL
A. Community-based Services	159,000	60,000	37,879	35,000	15,000
B. Equipment	14,125	20,000	0	-	23,000
C. Technical Support/ Studies	16,763	290,500	16,600	29,500	325,400
D. Training/ Workshops/ Awareness/Publications	85,525	172,000	89,778	18,500	306,500
E. Staff Salaries and Allowances	14,738	6,000	9,500	1,900	15,000
F. Operations and Maintenance	6,000	18,000	0	100	41,600
G. Travel and Subsistence for Management	100,487	3,600	0	13,000	21,000
TOTAL	396,638	570,100	153,757	98,000	747,500

2012 Budget Request Based on Outcomes

OUTCOME	INDONESIA	MALAYSIA	PHILIPPINES	VIET NAM	REGIONAL
I. Capacity Building for Sustainable Peatland Management	94,900	128,500	46,705	21,000	353,900
II. Reduction of Peatland Degradation	80,375	152,000	5,837	16,000	202,000
III. Integrated Management and Rehabilitation of Peatlands	122,500	201,600	46,195	17,000	32,000
IV. Multi-stakeholder partnerships	82,125	70,000	42,520	40,000	43,000
V. Project Management	16,738	18,000	12,500	4,000	116,600
TOTAL	396,638	570,100	153,757	98,000	747,500

AGENDA ITEM 8: PROJECT MANAGEMENT AND ADMINISTRATION

30. Administrative and financial matters remain as the major constraints during the implementation of APFP activities. Delayed disbursement of funds from IFAD with the average disbursement time after submission of withdrawal requests being about 3 months, long administration process in respective countries, weak



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coordination between national and local government and changing of personnel in National Project Executing Agency have resulted in significant delays in implementing countries activities. Moreover, unfamiliarity with both financial statement and Annual Work Plan Budget format has added the impact, despite these issues been clearly explained in the Project Procedures Manual. As integrated inputs of country activities are needed for some of the regional activities, delay in some of the country components have affected the schedule of the project implementation on the joint activities.

31. The meeting noted that Malaysia's withdrawal application is in process. Two to three weeks are required to release the fund. Malaysia also needs to provide IFAD with a certified English translation of their 2010 audit report.

32. The meeting stressed that Country Annual Work Plan Budget (CAWPB) should follow the specified format as stated in Project Procedure Manual (PPM) and include more detailed input budgets and relevant activities plans.

33. The meeting also noted that Semi-Annual Progress Report (SAPR) should include a statement of expenditure based on both outcomes and accounting categories. No amendment of categories shall be made to avoid further misunderstanding. Countries should submit their SAPR to RPEA according to the schedule.

34. The Meeting discussed the auditing procedures as specified in the PMM and a number of clarifications were made as described in ANNEX 9. It reminded the delegates that, as clearly outlined in the PPM, the annual financial statement for each calendar year should be prepared on schedule by participating countries, ASEAN Secretariat, and RPEA, and be audited. ASEAN Secretariat shall provide a summary of the individual audited financial statements. The format should refer to the accounting categories, not necessarily the outcome budget categories as in the withdrawal requests.

35. Participants were requested to strictly follow the provisions of the Grant Agreement and Sub-Agreements with regard to financial statements, accounting, and expenditures. The Meeting noted that while the ASEAN Secretariat and Project Director provide oversight and certification of financial statements and withdrawal applications, as appropriate, the ultimate responsibility and accountability lies with the national coordinators of participating countries and RPEA for their respective components.

36. The Meeting noted the flexibility for fund reallocation within component as long as the objectives are not compromised. However, reallocation between components need recorded justification and should be authorized by IFAD before expenditures are made. Such reallocation should be clearly identified in the work plan and budget, and written application made to request approval from IFAD. Reallocation could be discussed during the proposed annual supervision in March 2012 and mid-term review in November 2012.



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37. The Meeting noted that due to the delayed start of the project due to administrative issues and release of funds, there is a need for extension of the project beyond its current four-year period. The Meeting requested ASEAN and RPEA to prepare a justification for an extension of the project and for IFAD to explore this with GEF.

38. With regard to the proposed supervision mission by IFAD, it was noted as agreed earlier that in order to minimize expenses and to facilitate easy inputs from the respective component leaders, such missions should be held back-to-back with scheduled PSC or PMM meetings. Also, with regard to the arrangements for 2012, when both a supervision mission and a mid-term review were planned, it was suggested that these two missions be merged if possible.

AGENDA ITEM 9: SCHEDULED EVENTS/MEETINGS

39. The Meeting noted the proposed calendar of main events for regional level in 2012 as in ANNEX 10. Each country was asked to confirm their agreement for hosting the respective regional events.

40. It was agreed that the 4th PSC Meeting would be held back to back with the 7th PMM in November 2012 in Indonesia.

AGENDA ITEM 10: OTHER MATTERS – PRESENTATIONS ON UMNTP

41. A field visit to U Minh Thuong National Park (UMTNP), Viet Nam's pilot site located about ten hour's drive from Ho Chi Minh City, was conducted on 4 November 2011. Twenty five delegates participated in this trip.

42. The Meeting expressed appreciation to the management of UMTNP for the impressive work they have done to rehabilitate the Park from the 2002 fires, and sustainably manage the site. The Meeting agreed to explore support in documentation assistance for listing the site as ASEAN Heritage Park, and to develop publicity and information materials for visitors to the Park.

AGENDA ITEM 11: ADOPTION OF REPORT OF PSC3

43. The meeting adopted the Report ad-referendum.

Acknowledgements

44. The delegates expressed their appreciation to the Government of the Viet Nam and GEC for the meeting arrangements. The delegates also expressed appreciation to the ASEAN Secretariat for the support provided for the Meeting. The support from IFAD/GEF and EU funding for the meeting and the projects was acknowledged.

45. The Meeting was held in the traditional spirit of ASEAN cooperation.



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- Annex 4: Progress of APFP and SEApeat Project
- Annex 5: Indonesia Annual Work Plan Budget
- Annex 6: Malaysia Annual Work Plan Budget
- Annex 7: Philippines Annual Work Plan Budget
- Annex 7: Viet Nam Annual Work Plan Budget
- Annex 8: Regional Annual Work Plans and Budget
- Annex 9: Calendar of Main Events for Regional Component