

Report of the 7th APFP Project Management Meeting 7 November 2012, Pontianak, Indonesia

INTRODUCTION

1. The 7th ASEAN Peatland Forests Project (APFP) Project Management Meeting (PMM) was held on 7 November 2012 in Pontianak, Indonesia. The Meeting was attended by representatives from Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand, 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

1. The Meeting was chaired by Dr. Raman Letchumanan, the Head of Environment Division of ASEAN Secretariat and also the Project Director. He highlighted that the project extension recently approved by IFAD will give opportunity to plan the activities in the remaining period of the project, in an effective manner. Dr. Letchumanan expressed thanks to all parties involved for the progress achieved thus far, and emphasized that APFP is a very unique multi-country project, that is rarely done in other regions.

2. Dr. Letchumanan informed the Meeting of the outcome of the recent meeting of the Sub-Regional Ministerial Steering Committee on Transboundary Haze Pollution (MSC), which was held on 31 October 2012 in Bali, Indonesia. In particular, he highlighted that the MSC recognised that greater transparency is required to make plantation companies and land owners responsible for the haze, more accountable and undertake concerted effort in fire suppression. The MSC approved the formation of an MSC Technical Task Force (MTTF) to develop a fire monitoring platform at the MSC level. The MSC acknowledged the good progress of APFP, in particular some of the innovative programs undertaken at the pilot sites. It was also acknowledged that a broader framework is needed to sustain these activities after the Project is completed, such as a permanent working group on peatlands. It is therefore foreseen that there would be two working groups under the MSC, namely the MTTF and the working group on peatlands.

3. Mr. Roshan Cooke of IFAD thanked all parties involved in the conduct of the recently completed Mid-Term Review (MTR). He pointed out that although the Project had an initial delay of about a year, it managed to get extension for one year (up to 31 December 2014). He reminded, however, that all project activities should be put into the pipeline before June 2014. Mr. Cooke further highlighted the importance to ensure that gains made in this project will be maintained for the next phase.

AGENDA ITEM 2: INTRODUCTION AND CONFIRMATION OF THE AGENDA

4. The Meeting adopted the Agenda, as in **ANNEX 2**.

AGENDA ITEM 3: MATTERS ARISING FROM PMM6

5. The Meeting reviewed the matters arising from the Sixth Project Management Meeting (PMM6) held in July 2012 in Malaysia, and noted progress made. The progress on action from the PMM6 is in **ANNEX 3**.

6. Dr. Raman informed the Meeting that Malaysia has submitted a proposal on FDRS Enhancement Programme, which include FDRS open source software from the Canadian Forest Service and training for the relevant officers from ASEAN Member States (AMS). Considering its importance and urgency, the ASEAN Secretariat had proposed to use the APFP budget for this activity. The Meeting agreed that participation of representatives from the participating countries in the above training on FDRS will be funded by the respective country components. While the software/hardware costs will be supported through regional component allocation, the workshop cost could be funded by Malaysia component. The ASEAN Secretariat, RPEA and Malaysia will further work out the details.

AGENDA ITEM 4: MID-TERM REVIEW RESULTS, LFA AND FEEDBACK

7. Mr. Cooke of IFAD reiterated that the MTR is a requirement by the Global Environment Facility (GEF), not as a supervision exercise, but rather stocktaking in terms of project implementation at the mid-term, looking at challenges and the possible solutions. The review team visited all participating countries and the respective pilot sites, as well as reviewed the financial and procurement aspects. The findings presented in this meeting are preliminary, to give an opportunity for concerned countries to interact with the reviewer. Subsequently, IFAD will submit an Aide Memoire and report on the MTR for review by the countries, RPEA and ASEAN Secretariat, before it is finalized.

8. Mr. Alexander Sayok, as team leader of the MTR team, made a presentation on the initial finding of the MTR, as in **ANNEX 4**. The MTR Team comprises: Mr. Roshan Cooke (IFAD, Coordinator), Mr. Alexander Sayok (team leader), Ms. Wai San Siew (financial), and Mr. Shankar Achutan Kutty (procurement).

9. The overall initial findings based on observations at the sites, documentation provided and interviews with relevant people are as follows:

- Preparedness and readiness – satisfactory (5)
- Attainment of objectives and planned results – moderately satisfactory (4)
- Achievement of outputs and activities – moderately satisfactory (4)
- Stakeholder participation/public awareness – satisfactory (5)

- Implementation approach and adaptive management – moderately satisfactory (4)
- Monitoring and evaluation – satisfactory (5)
- Catalytic role and replication – satisfactory (5)
- Country ownership/driven-ness – satisfactory (5)
- IFAD supervision and backstopping – moderately satisfactory (4)

10. Ratings based on Outcomes for each component are as follows:

Component	Outcome 1	Outcome 2	Outcome 3	Outcome 4
RPEA	Satisfactory	Satisfactory	Satisfactory	Satisfactory
Malaysia	Moderately Satisfactory	Satisfactory	Moderately Satisfactory	Satisfactory
Indonesia	Satisfactory	Satisfactory	Satisfactory	Satisfactory
Philippines	Satisfactory	Satisfactory	Satisfactory	Satisfactory
Viet Nam	Satisfactory	Satisfactory	Satisfactory	Satisfactory

11. Initial finding on Financial Management and Procurement - Planning and Control is moderately satisfactory (4).

12. Lessons learnt:

Overall	<ul style="list-style-type: none"> • Sectoral to cooperative/joint approach: The project had enabled the various stakeholders to transform from a sectoral approach to a more structured cooperative/joint approach in solving problems such as fire and water management in peatlands.
Malaysia and Philippines	<ul style="list-style-type: none"> • Involvement of companies • Involvement of public and locals
Viet Nam	<ul style="list-style-type: none"> • Green Contract with Locals
Philippines	<ul style="list-style-type: none"> • Knowledge on peat gained and forest type added to map. • New regulations/Ordinance specifically for peatlands • Improved Agriculture • Closer/ Tighter community participation • Overwhelming support from institutions, NGOs, and top government officers

13. Recommendations for each component:

- RPEA: need to visit areas/sites esp. those which have problems at least once a year to ensure smooth running of the project
- Malaysia: money spent to date is 36% because of problems in appointing resource person/consultants, should find some mechanisms which can expedite the process
- Philippines: could incorporate nearby tourism products/potential tourism products with pilot projects to promote community-based eco- and agro-tourism in the area thus enhancing local livelihood
- Indonesia: Danau Sentarum is a wonderful park as it is scenic and full of wildlife. Its remoteness will mainly attract hardcore visitors. A longer period may be considered for one to be able to enjoy the park more. A visit to the park could include some other tourist sites such as to the villages with showcases, which include food, dances, song, music, and handicrafts, etc. to attract visitors. A more relax schedule could be arranged.
- Vietnam: some problems with flow of fund from Ministry of Natural Resources and Environment (MONRE), and thus delaying some outputs - should find ways to facilitate the disbursement; differential tourist could generate more income for the Park; water hyacinth could cause a navigation problem in the canal if not removed regularly, and thus a hindrance to park management such as fire control. Ways to use the plant for animal feed; mulch for crops, and handicraft and furniture similar to those in Tonle Sap (Cambodia) can be explored. The park could apply for recognition as Ramsar site because it has all the attribute to be one. By so doing it, it will be visited by tourists worldwide.

14. The Meeting noted with appreciation the initial findings and recommendations presented by the reviewer team.

15. The Meeting discussed and provided feedback to the initial findings of the MTR. Specific comments made were among others:

- Malaysia - Highlighted that for Outcome 1, Malaysia was still at initial stage compared to other countries, as it started implementation of the project activities effective in 2011, due to late signing of Agreement and release of funds. Malaysia therefore requested that the MTR report reflected this fact.
- Project Director – Highlighted that there were some mismatch between the rating and justification given. Acknowledged the slow start and delay in funds release. However, significant work has been ongoing, such as the development of National Action Plan (NAP) for peatlands, which should have been taken into consideration.

- RPEA – Noted that there are elements where RPEA need to be more proactive to assess activities on the ground. Recognised the need to look at integration of regional and country activities, i.e. drawing from lessons learned at country level and bring them into regional level, through publications, etc.
- IFAD - Take responsibility in the rating for IFAD. IFAD highlighted that since the 6th PMM in 2011, IFAD had put in place internal structure to disburse fund for any Withdrawal Application (WA) within 3 weeks. Problems encountered which caused delay in disbursement in 2012 were mostly incorrectly filled-up WA.

On financial management and procurement:

- Viet Nam – Explained the national procedure which caused delay in flow of funds from MONRE to the consultants. If necessary, ASEAN Secretariat will write to the relevant authority to expedite the process, considering the findings of the MTR and that the project will only last for another 1.5 years.
- Indonesia provided clarification regarding the national procurement procedures, in particular the selection of contractors/consultants, which did not involve the requesting department to avoid influencing decisions on selection. Indonesia explained that cash transactions and payment have been done with regard to its national funds. However, Indonesia acknowledged that it should be minimised for the APFP project in future and that this matter will be looked into accordingly.
- Malaysia sought clarification on the issue of procurement for goods and works and the prevailing procedure according to the Grant Agreement vis a vis the Grant Sub-Agreement or PPM.

16. The Meeting noted the following rules and procedure with regard to procurement for goods and works, as clarified by the Project Director and IFAD:

- Procurement for goods and works above USD100,000 is subject to IFAD prior review regardless of who is undertaking the procurement including country procurement. The ASEAN Secretariat will submit the necessary documentation for IFAD's prior review, ideally together with its recommendation;
- The ASEAN Secretariat is required to provide prior review for procurement undertaken by countries for goods and works between USD20,000 and USD100,000.
- The same modality applies for procurement of consulting services and its associated thresholds contained in the Grant Agreement and Grant Sub-Agreements, respectively.

17. The Meeting noted that IFAD will submit the draft Aide Memoire and Report for the MTR to ASEAN Secretariat, for circulation to RPEA and National Coordinators for review and comments, by 19 November 2012.

AGENDA ITEM 5: PROGRESS AND ANNUAL WORK PLANS AND BUDGET (AWPB 2013)

a. Indonesia

3. The Meeting noted the progress of the Indonesia Component and the 2013 Country AWPB, which was presented by Mr. Hermono Sigit, the National Coordinator, as in **ANNEX 5**.

4. The Meeting noted that in the 2013 CAWPB, Indonesia focused on activities in the field, especially in Central Kalimantan and West Kalimantan provinces. For example, community exchange programme that will bring community in Riau and West Kalimantan to learn about water management in peatlands in Central Kalimantan, which have some BMP sites on water management.

5. The Meeting also noted that best practices in Danau Sentarum, the pilot site in West Kalimantan, will be uploaded in the project website, as an effort to promote Danau Sentarum.

6. IFAD suggested that since water management is key in peatland management, it is possible to budget for building infrastructure for water management.

b. Malaysia

7. The Meeting noted the progress of the Malaysia component and the 2013 Country AWPB, which was presented by Mr. Hamdan Napiah, the National Coordinator of Malaysia, as in **ANNEX 6**.

The Meeting noted that Project activities implemented at the pilot site showed encouraging progress especially related to forest rehabilitation and the application of FDRS. The establishment of Sahabat Hutan Gambut Selangor Utara (SHGSU) has created a platform for effective community participation in the rehabilitation and forest fire monitoring and prevention activities at Raja Musa Forest Reserve, including creating livelihood opportunities for local communities. The SHGSU initiative is co-supported by the SEApeat project (funded by European Union) and HSBC.

8. The Meeting noted that in the 2013 CAWPB, Malaysia proposed to conduct 4 studies as one package, to be contracted to one consultancy. In this regard, the Project Director advised to avoid packaging as one consultancy and suggested that the studies be done by different consultancies, with one consultancy acting as coordinator.

9. The Project Director suggested that Malaysia should concentrate on large-scale with high impact activities, such as establishment of weather stations, rehabilitation, buffer zone management etc.

10. IFAD suggested that in the remaining period of the Project, Malaysia could use the opportunity to try different types of dams, in order to learn which one would work best, and could be scaled up in the next phase.

c. Philippines

11. The Meeting noted the excellent progress of the Philippines Component and the 2013 CAWPB, which was presented by Ms. Armida P. Andres, the National Coordinator for the Philippines, as in **ANNEX 7**. The Meeting noted that Philippines conducted its First National Peatlands Summit on 24-26 October 2012, and has developed innovative activities engaging local authorities and local communities to promote awareness on peatlands and peatland conservation in the country.

12. The Meeting noted that engagement of women in the Philippines Component has been great. The Meeting further noted IFAD's suggestion that for all components, gender disaggregated data be documented.

13. IFAD also suggested that other countries should learn from Philippines with regard to the active involvement of local community leaders as champions, and further suggested exchange programmes among village/district leaders. The Meeting noted that since Philippines will host the PMM meetings next year, it will be an opportunity to invite the relevant people from the other participating countries to also attend and learn about the work being done in Philippines.

14. The Project Director informed the Meeting that noting the progress of the APFP, the Ministers during the 14th MSC Meeting expressed their interest to visit and see the floating garden and sorjan farming in the Philippines.

d. Viet Nam

15. The National Expert for Viet Nam, Dr. Le Phat Quoi, presented the progress of the Viet Nam Component and the 2013 CAWPB, as in **ANNEX 8**. The Meeting noted particularly the "Green Contract" program being implemented for livelihood development, in which the project provides USD750 for each household in a very poor community living in the buffer zone of the U Minh Thuong National Park through the government, for them to implement one of the offered models, i.e. fruits-vegetables, livestock-crops, melaleuca-fish, etc.

16. The Meeting congratulated Viet Nam for the endorsement of UMTNP as ASEAN Heritage Park by the 12th ASEAN Ministerial Meeting on Environment in September 2012. The Project Director informed the Meeting that apart from the floating garden and sorjan farming in Philippines, the Ministers were also interested to visit UMTNP.

e. Regional

19. RPEA presented the progress of Regional Component of the Project and the 2013 RAWPB, as in **ANNEX 9**. The Meeting noted the significant progress and outputs produced under the Regional Component.

20. The Project Director commended the significant progress made by the regional component. He highlighted the urgent need to materialise the ASEAN-wide FDRS as a system that is advanced, comprehensive and useable in the region. In this regard, the workshop on the use of software and training for AMS to be hosted by Malaysia is very important and timely. The Meeting agreed that each participating country of APFP should support participants from the relevant agencies for this workshop, from their respective own budget.

21. IFAD suggested that 2013 should be dedicated as “year of the peat” and further suggested bringing the Project to the attention to the larger international community through promotion and showcase of the Project in prominent annual meetings of the international conventions in 2013, such as the UNFCCC and CBD, as well as in regional conferences. Roshan Cooke further highlighted the need to prepare for the next phase of the Project, and thanked all stakeholders involved in the Project for the achievements thus far.

AGENDA ITEM 6: CALENDAR OF EVENTS FOR 2013

22. The Meeting agreed on the schedule of meetings/events for the remainder of 2013 as in **ANNEX 10**. Respective Components will provide to RPEA their schedule of events.

AGENDA ITEM 7: PROJECT MANAGEMENT AND IMPLEMENTATION

- a. Project Reporting Requirements**
- b. Project Procedures & Budget Tracking (PPM)**
- c. Preparation of Audit report for 2012**

23. The Meeting noted the following dateline for the various reports:

Report	Deadline
Revised AWPB 2013 and procurement plan	21 November 2012
SAPR July-December 2012	30 March 2013 (NC to RPEA)
Audit Report + audited financial statements	NC to submit to RPEA by 30 April 2013 RPEA to consolidate and submit to ASEAN Secretariat by 15 June 2013

24. Each NC and the RPEA should submit a co-financing plan on an annual basis together with the AWPB, and subsequently a status report on co-financing as part of the annual financial reporting. The RPEA will consolidate the co-financing report and submit an overall annual co-financing report to the ASEAN Secretariat for submission to IFAD.

AGENDA ITEM 8: LINKAGE AND MANAGEMENT OF APFP AND SEAPEAT PROJECTS

25. The Meeting noted the good progress of the SEApeat project, as in **ANNEX 12**. The Meeting also noted the recently concluded ROM Mission by the EU and its positive findings towards the Project. The Project received high scores (Relevance-A; Efficiency-A; Effectiveness-B; Impact-B; Sustainability-A) and was greatly appreciated by the EU.

AGENDA ITEM 9: CONFIRMATION OF NEXT MEETING(S)

26. The Meeting agreed that the 8th PMM would be held in Philippines, in June/July 2013, and the 9th PMM/5th PSC would be held in Malaysia in November 2013

AGENDA ITEM 10: OTHER MATTERS

27. There were no other matters raised.

Acknowledgement

39. The delegates expressed their appreciation to the Ministry of Environment, Indonesia and the RPEA for the arrangements made for the meeting. The delegates also expressed appreciation to the ASEAN Secretariat for the support provided for the Meeting.

40. The Meeting was held in the traditional spirit of ASEAN cooperation and cordiality.

List of Annexes:

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- Annex 2: Agenda of the 7th Project Management Meeting
- Annex 3: Matters Arising from PMM6

Annex 4:	Results of MTR
Annex 5:	Progress and AWPB 2013 of Indonesia Component
Annex 6:	Progress and AWPB 2013 of Malaysia Component
Annex 7:	Progress and AWPB 2013 of the Philippines Component
Annex 8:	Progress and AWPB 2013 of Viet Nam Component
Annex 9:	Progress and AWPB 2013 of Regional Component
Annex 10:	Proposed Calendar of Events 2013
Annex 11:	Project Reporting
Annex 12:	Progress of SEApeat Project