



ONGOING MONITORING REPORT

Project title: SUSTAINABLE MANAGEMENT OF PEATLAND FORESTS IN SOUTH EAST ASIA

CRIS Number: 2010/221-659

I. INTERVENTION DATA

Project:	Regional
Project Management:	Project managed by the Delegation
Financed via a thematic budget-line:	Yes
Project title	Sustainable Management of Peatland Forests in South East Asia
Keyword:	008 (climate change)
DAC – CRS Sector:	31210 Forestry policy and administrative management
Additional DAC-CRS code:	
Date Financing Agreement/Financing Decision/Contract signed:	15/12/2010
Geographical zone:	RAE - South East Asia Region
Person responsible at Delegation	Viktorija K Aidalova
Person responsible at HQ	
Monitor:	Egbert Topper
Project Authority:	Global Environment Centre company Ltd.
Type of implementing partner:	003 Profit oriented organisations
Millennium Development Goal:	Goal 7: Ensure environmental sustainability
Millennium Development Target:	7A
Start date – planned:	16/12/2010
End date – planned:	16/12/2014
Start date – actual:	16/12/2010
End date – likely:	16/12/2014
Monitoring visit date:	
from: 24/09/2012)	To: 05/10/2014

II. FINANCIAL DATA

Primary commitment (EC funding):	€ 1,789,063.00
Budget allocated for TA:	€ -
Secondary commitment (funds contracted of EC contribution):	€ 1,789,063.00
Other funding (government and/or other donors):	€ 1,235,891.00
Total budget of operation:	€ 3,024,954.00
Total EC funds disbursed:	€ 446,869.88
Financial data as on:	24/07/2012

III. GRADINGS

1. Relevance and quality of design	a
2. Efficiency of Implementation to date	a
3. Effectiveness to date	b
4. Impact prospects	b
5. Potential sustainability	a

Note: a = very good; b = good; c = problems; d = serious deficiencies

IV. SUMMARY OF CONCLUSIONS

1. Relevance and Quality Design

The EU-funded programme complements an earlier programme (2009-2013), namely the ASEAN Peatland Forests Project (APFP). This programme was developed by the ASEAN Secretariat (ASEC) and AMS (ASEAN Member States) with the assistance of the Global Environment Centre (GEC) and was funded by the Global Environment Facility (GEF, USD 4,299,164) through the International Fund for Agriculture Development (IFAD) with co-funding from participating countries amounting to US\$10,422,457. It develops regional activities covering all the AMS as well as ‘on-the-ground’ work in pilot sites in four countries, namely Indonesia, Malaysia, Philippines and Vietnam, which signed sub-agreements with ASEC. Brunei and Singapore are also participating in the project primarily with their own resources. The EU-funded project strengthens both the regional and national components, in particular concerning climate change funding mechanisms, and provides for means to strengthen the action in Thailand, Cambodia, Laos and Myanmar, countries which so far, have not concluded sub-agreements to ensure GEF resources. While the ASEC is the executing agency for the APFP, it has partnered with GEC for implementation of the regional component. GEC is therefore the implementing agency for both the SEApeat programme as well as the regional component of the APFP. This situation means that coordination of regional-level action can be – and actually is – ensured, and activities under the two programmes complement and reinforce each other. In some cases, funds from both donors are pooled for achievement of the same result. Project results can therefore not be easily attributed to either the APFP or SEApeat programme. Implementation of the national components of the APFP project is not under GEC’s control, but proper coordination of national-level activities under the two projects is receiving due attention. The project is funded under the ENRTP and is highly relevant in terms of EU policies; it addresses climate change using an approach that is fully in line with ENRTP priorities namely: *(1) integrating environmental sustainability in decision making by means of support to civil society stakeholders; (2) promoting the implementation of initiatives and commitments made at international level; (3) increasing the prominence of environmental issues in EU external policy; and (4) making EU actions a key part of strengthened international environmental governance processes.* At the same time, the action clearly supports the objectives of the second MIP (2011-2013) for Asia, where cooperation in the field of environment focuses on Forest Law Enforcement, Governance and Trade (FLEGT) and the establishment of an Asia Investment Facility to facilitate investments relevant to climate change. Considering that climate change and national mitigation actions are key priorities for the EU which the project contributes to, possibilities for follow-up funding of the SEApeat project under the Multi Annual Programme for Asia (MIP) could be explored. The logframe is of good quality, even if the two Specific Objectives (SOs) could be more specific; it illustrates a good understanding of the issues to be addressed. The programme’s Overall Objective and Project Purpose clearly aim at reinforcing regional integration, and developing regional capacities in order to address a regional problem; as such the programme is truly regional in nature, but with important activities and expected results at national level, such as the National Action Plans, based on the regional ASEAN Agreement on Trans-boundary Haze Pollution (AATHP) and the ASEAN Peatland Management Strategy (APMS), the main corresponding strategy document. The proposed approach is fully appropriate: addressing climate change and NRM challenges through awareness raising activities targeting the general public, through capacity building of relevant institutional and civil society actors, and through concrete actions involving governmental, corporate and civil society actors, in partnership with community organisations. In the design, the climate change and peatland forest policy processes are well linked to field-level implementation and vice versa.

2. Efficiency of Implementation to date.

The project is implemented in a highly efficient manner; it has achieved a considerable number of outputs and outcomes in a relatively short period of time. This is largely thanks to the implementer’s (GEC) networks and ongoing activities in the region, including the APFP project, on which this project could build. The Project Procedures Manual (Implementation and Financial Management Guidelines) prepared under APFP for example, has helped in the management of the action, even if GEF/IFAD procedures are different from the EU’s. Still, considerable time has gone (and still goes) into working out partnership and financial arrangements between GEC and relevant GOs. GEC has proper administrative and financial structures and systems in place to manage a project of this size. Unfamiliarity with EU procedures

however, has delayed the release of the second pre-financing instalment; better understanding of these procedures would smoothen implementation and allow for optimal resource allocation. Both GEF and EU contributions are used to fund some of the same activities, and human resource costs are shared between the two projects. While this contributes to donor harmonisation in the sector, it also carries a risk of double charging of cost to both projects, even though there are no such indications. That said, this is an issue to be looked into; it could possibly be covered by the upcoming GEF mid-term review mission. Otherwise, GEC and project partners have made all the required human and financial resources available, sometimes at a lower cost than planned. Available inputs and means are allocated in a sufficiently flexible manner to where they are most required, in a transparent way, and they are well converted into outputs. Implementation is adjusted to the reality on the ground and to the scope for action in the various countries. A high number of good quality outputs have been produced and distributed to the relevant target groups and beneficiaries. The various partners are involved in work planning, and provide proper progress reports. Monitoring systems are in place and the logical framework is used for progress reporting. The project makes a cost-effective use of means to travel, meet and monitor activities by combining activities where possible. The Steering Committee meets regularly, ensuring the necessary inter-institutional coordination, and the meetings are properly documented. The outputs clearly contribute to achievement of the project's expected results.

3. Effectiveness to date.

The project is well on track to achieving planned results on time. At regional level, the main results are the National Action Plans (NAPs) for Peatlands for MY, PH and VN finalized, and NAP for ID has been reviewed. An ASEAN Peatland Fire Prediction and Monitoring System is under development, with on the ground application. Regional study visits have been organized and are having a tangible effect in terms of replication of good practices; Incentive Options for Peatland Management have been prepared and discussed; the Southeast Asia Peat Network (SPN) database and a Peatland Directory have been established, and multiple workshops organized and attended. Project visibility and outreach are particularly strong, through websites (including a Facebook page), articles and publications, conference posters and awareness raising material. As regards national-level action, 'new' countries (MM, LA, KH, TH) have focused on Training of Trainers (TOT), translation of the APMS into local languages, and Peatland Assessments. In the more 'advanced' countries (MY, ID, PH, VN) activities concentrated on pilot testing of BMPs and incentives for communities; testing of the fire prediction system, community outreach and multi-stakeholder partnerships, and engagement of the private sector. Quality of the results to date is very good. All planned target groups have access to project results, and are actually using them. Targets and indicators are appropriate and are used for reporting. The results clearly contribute to the achievement of the objectives; SO1 aims at national level action for good governance and protection of peatland forests through NAPs and local pilot activities. This work has so far focused on building partnerships and defining work arrangements, conducting training activities and peatland assessments; NAPs will be produced in a second stage Incentives for improved peatland management are being developed through the national level pilots. SO2 is more regional in nature, aiming at strengthening regional cooperation on APMS (2006-2020) implementation and supporting international policy development for peatland forest conservation. Thanks to its role as executing agency of the APFP, GEC can effectively play a facilitating role in the implementation of the APMS, and help develop the regional instruments for reduction of peatland degradation. It is likely that the Project Purpose will be achieved, though fires continue to pose a permanent risk, which is only to a limited extent under project control. ASEAN Ministers expressed serious concerns (Sept 2012) on the significant increase in fire hotspots in the region in 2012. In this regard, activities aimed at raising water levels in peatland areas could get higher priority.

4. Impact prospects.

The project is clearly contributing to the objective of *reducing deforestation and degradation of peatland forests in SE Asia*. However, actual reduction is as yet difficult to measure, since there is no full agreement on the baseline situation. In Indonesia in particular, the peatland forest area seems subject to various interpretations. A conclusive dataset against which progress can be monitored is necessary. The project focus on strengthening peatland governance is highly effective. Partnerships among government, private and civil society actors (including communities) are forged, whereby governments are held more

accountable for land use and investment decisions affecting peatlands, oil palm companies are encouraged to put BMPs in place and practise CSR, and communities' capacities to trace and fight fires are enhanced. Effective engagement of the private sector, through the RSPO, could also have a very important impact. The project uses all relevant media (internet, radio, TV, conferences, etc) effectively to reach a wide audience and maximise impact, which also benefits EU and ASEAN visibility. The indicators for achievement of the Overall Objective are appropriate and realistic, but have so far not been reported on. It is to be noted, though, that project results cannot be easily attributed to the SEApeat programme only, as the (GEF-funded) APFP equally contributes to achievement of the same overall objective. The project produces a number of positive indirect benefits: (1) reduced fires and haze in the region contribute to healthier air quality; (2) community-level action is having a broader village development and empowerment impact, in terms of land management and user rights; (3) inter-agency cooperation in peatland areas is improved thanks to the facilitating role played by project partners, and (4) the project also contributes to stronger (ASEAN) regional integration.

5. Potential Sustainability.

Funding for the action (SEApeat as well as APFP) is still largely dependent on donors (EU and GEF), though national cash and in-kind contributions are very significant as well. While a certain level of national funding is likely to continue to be made available, global financing mechanisms to compensate for foregone use of peatlands need to be further developed. Such alternative funding mechanisms are under development: the draft report on 'Development of Financing and Incentives Options for Sustainable Management of Peatland Forests in Southeast Asia' provides a good overview of options in the various countries, some of which are now being tested. Payment for Ecosystem Services is among the viable options in some pilot sites and could get higher priority. In the short term however, the project rightly focuses on developing direct returns from (sustainable) economic activities, such as increased crop production through improved water management or ecotourism development. CSR funds from private companies (HSBC, Bridgestone) are an increasingly important complementary source of funding of peatland rehabilitation activities in Malaysia, where citizen's contributions in the form of volunteer tree planting are also on the increase. The project is fully embedded in the permanent structures of the target groups, from ASEC down to community level, who are involved in planning, decision-making and implementation of the activities. Technical, institutional as well as management capacities are being developed at all levels. As a result, target groups at all levels show full ownership of project activities and actively use results. The Steering Committee meets regularly, ensuring linkages to the policy process. In summary, there is good scope for a continuation of project services and benefits beyond end-of-project.

V. KEY OBSERVATIONS AND RECOMMENDATIONS

Key conclusion: GEC, in collaboration with the ASEC, is doing a highly commendable job in linking ASEAN policies with practice on the ground, involving government, corporate, civil and community-based actors in meaningful partnerships for collaborative peatland management, producing real benefits for both the global environment and local communities.

Recommendations (in order of priority):

1. To PM/EC: To organize a joint work session on financial procedures in order to smoothen implementation and optimize budget use.
2. To EC/PM: To examine the risk of double charging of cost to both SEA-peat and APFP projects, possibly as part of the upcoming GEF mid-term review mission.
3. To PM: To increase focus on water management (canal blocking) rather than tree planting as a means to reduce fire risks, and concentrate tree plantation in recently burnt areas.
4. To PM: to consider relevant gender issues and report gender segregated data, where possible,
5. To ASEC: To develop one consistent set of data on peatlands and peatland forests, in particular for Indonesia, to serve as a baseline against which to measure project progress.
6. To PM: to report on achievement of OVIs at the Overall Objective level, in the next Interim Report.
7. To PM/EC: To explore possibilities for follow-up funding under the Multi Annual Programme for Asia.