

**Annex 10a – Proposed CAWPB 2012 of Malaysia Component**

**Rehabilitation and Sustainable Use of Peatland Forests  
in South East Asia**

ASEAN/ IFAD/ GEF

**Malaysia Component**

**Annual Work Plan and Budget**

**PART I**

<b>Country:</b>	<i>Malaysia</i>
<b>Project Title:</b>	<i>Rehabilitation and Sustainable Use of Peatland Forests in South East Asia- Malaysia Component</i>
<b>Project Number:</b>	<i>GEF 2751</i>

<b>Financial year:</b>	<i>2012</i>
<b>Planning period:</b>	<i>Jan-Dec 2012</i>
<b>Year of implementation</b>	<i>Year 3</i>

<b>Total component budget (in USD):</b>	<i>USD 880,000.00</i>
<b>Total expenditures to date (in USD):</b>	<i>USD 95,325.00</i>

<b>Date of project effectiveness:</b>	<i>28 July 2009</i>
<b>Date of project start:</b>	<i>15 April 2010</i>
<b>Project duration:</b>	<i>4 years</i>
<b>Date of project closing:</b>	<i>31 December 2013</i>

<b>Date of latest Logframe revision</b>	
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## A. Background

- **Government Policies:**

The government has taken several steps in improving the government's policy of national wetland management. Such as, a workshop on the review of wetland policy was held on 19-21 September 2011 which was attended by various stakeholders and relevant experts. National Action Plan on Peatland (NAPP) has also been finalized and approved by the government. NAPP will be launched on 11 November 2011 by the Minister of NRE in conjunction with the annual World Rivers Day.

- **Implementation arrangements:**

No major changes in the project implementation arrangements. The lead agency for the implementation of this project is the Forestry Department of Peninsular Malaysia. But, effective on 15 September, Mr. Yusoff Muda, (Former National Coordinator) was replaced by Mr. Napiah Hamdan as the National Coordinator.

Regarding to the appointment of GEC as a National Experts, the appointment is still in the process according to new rules issued by the government. It is expected to complete in October.

Several meetings related to the management of peat swamp forest have been implemented such as National Project Steering Committee, State Peatlands Committee, Peatlands Working Committee, Meeting on Management Trust Fund and Meeting on Enhancement and Verification of FDRS.

Withdrawal Request for Malaysia Component of USD301,050.00 have been submitted to ASEAN Secretariat on 31 September 2011.

- **Local factors/ context:**

Peatland fires and their associated haze pollution may continue to re-occur annually at a constant or increasing rate, further contributing to the transboundary haze pollution in the SE Asian region. This will, in turn, have further negative implications on the socio-economy of local communities dependent on peatland resources as well as on the general health of human populations and on the global climate. Future El Niño cycles may induce further degradation of peatlands, with increased fire occurrences and their associated haze. The mitigating measures could be emphasizing hydrological management practice to reduce the incidents of peat fires through the canal blocking technique, communicating with the local communities and the public regarding the danger and risks of open-burning during the dry-spell and enhancing the effectiveness of patrolling and enforcement activities.

## B. Achievements to date and proposed implementation focus for upcoming year

Components	% of achievement to date (estimation)	Focus for new AWP&B period? (Yes/No)	Details of project implementation (Status to date)
Component 1	80%	Yes	<b><u>Achievements:</u></b>  NAP has been finalized and approved.  Workshop on Review of Wetland Policy on 19-21 Sept 2011 at De Palma Hotel, Kuala Selangor attended by 12

			<p>participants from various agencies</p> <p>National Project Steering Committee on Peatlands Meeting No.1/2011 on 11 Oct 2011 chaired by Deputy Secretary General of NRE. – decision :</p> <ol style="list-style-type: none"> <li>1. Agree with the 2012 work plan;</li> <li>2. Please that the implementing agencies to implement this project in accordance with the specified time period;</li> <li>3. Increase local community involvement, and</li> <li>4. The video was produced should be reviewed and approved by this committee prior to distribution</li> </ol> <p>State Committee on Peatlands Meeting No.1/2011 on 7 July 2011 chaired by Selangor State Secretary. – decision: “Meeting Members asked all the Land Office to review and take action against all illegal encroachment on peatland in the State Land. Similarly with Temporary Ownership Land (TOL) which not developed within three years should be revoked / withdrawn.</p> <p>State Working Group on Peatlands Meeting No.1/2011 on 7 July 2011 and No.2/2011 on 12 August 2011 chaired by State Forestry Director. Members from various stakeholders.</p> <p>Awareness materials produced – pamphlet, poster and video. Poster and pamphlet been disseminated to the public and stakeholders during the workshops, courses and lectures were held. Video still not widely circulated.</p> <p>2 Public talks have been implemented on 22 Sept 2011 at Kg. Bestari Jaya, Kuala Selangor, Selangor (250 participants) and on 27 Sept 2011 at Kg. Sungai Kelambu, Kuala Langat, Selangor. (150 participants).</p> <p>Tree Planting Program on 6 Oct at pilot site. (250 participants).</p> <p>Course on Assessment and Management of Peatlands on 3-6 Oct attended by 20 participants</p> <p>NPEA established; project initial planning &amp; management.</p> <p>Purchase of office equipment for Site Office.</p>
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			<p><b><u>Proposed activities:</u></b></p> <p>National Project Steering Committee on Peatlands Meeting (April and August)</p> <p>State Working Group on Peatlands Meeting (April and August)</p> <p>State Working Group on Peatlands Meeting (March, June, Sept and Dec)</p> <p>Produce an awareness materials - video, leaflet &amp; poster (translation &amp; review)</p> <p>Attend a PMM, PSC, RWG and any related meeting</p> <p>Study tour – Indonesia/Thailand</p> <p>Organize a Training course on Peat Assessment</p> <p>Organize a awareness acitivites/planting programme/public talk</p> <p>Appoint of consultant to undertake related research:-</p> <p>i. State action plan-pleminary assessment data collection</p> <p>ii. Development of communication plan for pilot site</p> <p>Prepare public awareness materials (e.g. media release, printed materials, video footage, etc</p> <p>Appoint of National Expert</p>
Component 2	70%	Yes	<p><b><u>Achievements:</u></b></p> <p>Purchase of technical software, satellite images and aerial photos to support inventory of Selangor peatland areas</p> <p>Selangor FD re-activated and mobilised its Fire Patrol Team to conducted regular patrolling and check on encroachment and forest fires at Raja Musa FR.</p> <p>Fire Danger Rating System (FDRS) has been developed by Malaysia Meteorology Department (MMD). The system is available at <a href="http://www.met.gov.my">www.met.gov.my</a> and updated on daily basis.</p> <p>Workshop on Fire Danger Rating</p>

			<p>System on 12-13 Oct attended by 45 participants.</p> <p>Sahabat Hutan Gambut active with the forest rehabilitation activities.</p> <p>Appointment of consultant to undertake the research related.</p> <p>Research on "<i>Assessment for carbon content of Selangor PSF</i>" and "<i>Blueprint for KLSPSF</i>" – FRIM</p> <p><b><u>Proposed activities:</u></b></p> <p>Appoint of consultant to undertake related research:-</p> <ul style="list-style-type: none"> <li>i. Assessment of Peninsular Malaysia Peatswamp Forest</li> <li>ii. Assessment for carbon content of Selangor PSF (continuous research)</li> <li>iii. Blueprint for KLSPSF (continuous research)</li> <li>iv. Development of peat profile for Malaysia</li> <li>v. Assessment of fire prone area in North Selangor Peatswamp Forest</li> </ul> <p>Purchase of field equipment (fire fighting)</p> <p>Organize a Scientific XPDC on KLSPSF/Raja Musa</p> <p>Continuous monitoring and reporting Malaysia Peatland issues</p> <p>Produce an awareness material on fire prevention</p> <p>Establish and maintain fire prediction and warning system</p> <p>Continuous support to Friends of Peat Swamp Forests</p> <p>Organize a training/workshop (for stakeholders agencies)</p> <p>Participate in any related workshop, conference, exhibition (road show/public talk)</p>
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Component 3	40%	Yes	<p><b><u>Achievements:</u></b></p> <p>2 senior officers attend RPEA organized BMP workshop on peatland management in Kalimantan Tengah</p> <p>An area of 10 ha of degraded peatland was rehabilitated at Raja Musa Forest Reserve.</p> <p>In the process of appointing a contractor to perform the work on check dam</p> <p><b><u>Proposed activities:</u></b></p> <p>Working Group Commite to discuss TOR (document &amp; promotion for best management practices in peatland at demo sites)</p> <p>Participate in related workshop/course</p> <p>Review on Integrated Management Plan for NSPSF</p> <p>Appoint of consultant to undertake related research:-</p> <ul style="list-style-type: none"> <li>i. Develop management strategy for buffer zone areas of NSPSF</li> <li>ii. Rehabilitation Plan developed for Raja Musa F.R</li> </ul> <p>Documentation of lesson learnt from NSPF on rehabilitation</p> <p>Purchase office equipment and development of Site Office</p>
Component 4	0%		<p><b><u>Achievements:</u></b></p> <p><b><u>Proposed activities:</u></b></p> <p>Consultancy study on socio-economic activities within the buffer zone area of NSPSF</p> <p>Workshop on socio-economic activities within the buffer zone area of NSPSF</p> <p>Develop options for sustainable livelihood activities-to support Friends of Peat Swamp Forest (depends on research finding – Activity 4.1.1)</p>

- **Changes in objectives/ project design:**

There are no substantial changes in objectives for the implementation period following a minor revision of the project Log frame during the inception period.

- **Changes in implementation strategy/ arrangements:**

The project has faced delays in implementation during the last reporting period (Jan-June 2011). The delay is due to the procedural matters related to getting/ acquiring the necessary approvals in setting up the Trust Fund Account; the appointment of the signatories and other requirements of the Withdrawal Request, which has required considerable time. As a result, there has been a delay in the transfer of project funds into the account.

The situation also created another problem i.e. for those activities that were completed and/or started earlier last year; no payment could be paid this year under the present IFAD-GEF arrangement. Hence from technical point of view would have to be considered as part of "country co-funding".

To rectify the situation, NPEA had to revise the CAWPB presented at the PSC meeting in Manila, Nov 2010, by incorporating all activities from 2010 into the current 2011 project workplan, and further revising the activities planned for 2011 to make it manageable.

The revised 2011 CAWPB is attached with the document for consideration in the PMM4 in Jakarta. The related changes to overall budget allocation for 2011 is summarised below.

Expenditure category	Overall budget	Budget Allocation 2010	Budget Allocation 2011	Current Revised 2011 Budget
I Capacity Building	240,000.00	59,500.00	101,500.00	143,500.00
II Reduction in peatland degradation	262,000.00	53,500.00	100,500.00	144,000.00
III Management and rehabilitation	271,600.00	40,000.00	123,300.00	80,000.00
IV Multi-stakeholder partnerships	80,000.00	-	30,000.00	25,000.00
V Project Management	26,400.00	6,600.00	8,900.00	8,900.00
<b>Total</b>	<b>880,000.00</b>	<b>159,600.00</b>	<b>364,200.00</b>	<b>401,400.00</b>

### C. Costs and financing

- **Costs:** *(not applicable)*

- **Financing:**

Under Section 9 (1) of the Financial Procedure Act 1957, the Treasury may establish Trustee Accounts for donations and receipts permitted. This includes funds received from any international organization such as IFAD, GEF after approval by the Cabinet.

The management of Trustee Account is quite complicated and detailed than the other government accounts. All the procurement and expenditure under this trust shall first obtain approval from the Committee of Trustee Account although the work plan and budget were approved by the IFAD / GEF. Once approval is obtained, all the procurement and expenses shall be in accordance with financial regulations and accounting procedures.

#### **D. Annual Procurement**

The fund transfer from IFAD was received by Malaysia in October 2010. Due to internal procedural matters, the funds were only available for disbursement on 23 December 2010. Under these circumstances, Malaysia has not been able to register any flow of funds to those activities scheduled for 2010.

As mention early, all activities from 2010 were merged with the activities of 2011 in the 2011 project work plan in order to facilitate the management. But this situation has resulted delay in 2011 activities performance as 2010 activities to be carried out first. In addition, exchange of officers who are directly involved in this project also resulted in delays. However, some delays have been resolved and the application of Withdrawal Request shows that Malaysia Component is working hard to carry out activities according to plan ahead.

Some of the delay was also due to procedures related to the procurement of specialist organizations or consultants. (A clear example of this would be the appointment of GEC as national expert which has not been resolved until now). We experienced that the country process in appointing consultants is too cumbersome as it may involve open bidding/ tendering process (for a contractual sum above USD 15,000) and getting approval from controller of Trust Fund and Treasury before any projects can be awarded.

Within the reporting period, the NPEA worked in close liaison with the MNRE and Treasury to solve the liquidity aspects of the fund. Based on recent discussions with the MNRE and Treasury, Treasury has proposed that the appointment of GEC as NE should be in accordance with the latest Treasury Circular (SPP bill. 2 / 2011). Therefore, the FDPM will establish a committee (the Assessment Committee of Consulting Services) who will evaluate consultancy services through the background of project, the costs involved and the TOR of consultants for the project / government research. After assessment at the committee stage, the committee will recommend to the Quotation Committee to appoint any of the proposed organization as a consultant for the project / government research. Currently Malaysia has requested GEC (as the RPEA of the APFP Project) to assist in the matter.