

1. Introduction

1. The “Rehabilitation and Sustainable Use of Peatland Forests in Southeast Asia” is a four-year project which aims to demonstrate, implement and scale up sustainable management and rehabilitation of peatland forests in Southeast Asia. The Project focuses on the following activities: (i) strengthening capacity and institutional framework for sustainable peatland management; (ii) reduction of peatland degradation; (iii) integrated management and rehabilitation of selected peatlands; and (iv) local communities and private sector involvement to sustainable peatland management.
2. The Grant Agreement for the Project was signed between the ASEAN Secretariat and the International Fund for Agricultural Development (hereinafter referred to as IFAD) on 24 February 2009. The Grant Agreement formalizes the approval and administration of the Grant from the Global Environment Facility (GEF) and supervision of the project implementation over the period of four years (2009-2013). The Project consists of five components: a Regional Component and four country components in Indonesia, Malaysia, Philippines and Viet Nam.

1.1 Purpose of the Manual

3. The Project Procedures Manual (PPM) serves as implementation guidelines for all parties undertaking this Project. The PPM provides processes and procedures for implementation of the activities and guidance on reporting and monitoring of the Project.
4. The Manual is divided into two parts: (i) Project Implementation Procedure and (ii) Financial Management and Disbursement. The Manual also contains templates on Annual Work Plan and Budget, Procurement Plan, Monitoring and Evaluation, and Financial Reporting, among others.
5. The Manual is a supplementary document to the Project Grant Agreement and Sub-Agreements, outlining detailed procedures to implement the provisions of the Grant Agreement and Sub-Agreements. The provisions of the Grant Agreement/ Sub-Agreement shall prevail in case of any inconsistency with the PPM.

1.2 Approval and Amendments to the PPM

6. The Project Steering Committee (PSC) shall approve the PPM and any major amendments thereto.
7. Minor amendments, such as language, formatting, purposes of clarity, procedural and administrative matters shall be approved jointly by IFAD and the ASEAN Secretariat.

2. Project Description

2.1 Scope, Goal and Objectives

8. **Overall Project Goal:** To promote the sustainable management of peatlands in Southeast Asia to sustain local livelihoods to reduce poverty, reduce the risk of fire and

associated haze and contribute to global environmental management, particularly biodiversity conservation and climate change mitigation.

9. **Immediate Objective:** To demonstrate, implement and upscale integrated management of peatlands in Southeast Asia through mainstreaming and improved governance, strengthened capacity and increased awareness, enhanced multi-stakeholder partnerships, and innovative approaches to maintain and rehabilitate identified critical peatland sites.
10. The Project consists of five components – a Regional and four Country Components: Indonesia, Malaysia, Philippines and Viet Nam.
 - (a) The **Regional Component** builds a strong regional framework for partnership, information sharing and capacity building; and provides guidelines for best management practices.
 - (b) The **Indonesia Component** implements actions on integrated peatland management at the site level in Riau and West Kalimantan Provinces (where peat fires are a recurrent threat).
 - (c) The **Malaysia Component** focuses on sustainable use and rehabilitation of degraded peatlands, particularly in the State of Selangor through capacity building, fire prevention and control, private sector partnership and demonstration of best management practices.
 - (d) The **Philippines Component** highlights the involvement of key national and local government agencies, non-government organizations and the local communities in awareness raising, capacity building and improving multi-stakeholder cooperation for sustainable peatland management.
 - (e) The **Viet Nam Component** promotes the integrated management of peatlands through capacity building and improved inter-sectoral management.
11. Each Country Component contains one or more pilot sites to focus on site-level initiatives as well as serving as a testing ground for priority activities included in the ASEAN Peatland Management Strategy (APMS) or National Action Plans. In addition, a network of demonstration sites will be identified and established to showcase good management practices for fire management, water regulation, sustainable forestry, sustainable agricultural practices, community participation, forest replanting, fire prevention and control management, among others.

2.2 Outcomes and Outputs

Outcome 1: Capacity and institutional framework for sustainable peatland management in South East Asia strengthened

- 1.1 Inter-sectoral policy and planning frameworks for integrated peatland management strengthened at regional, national and local levels.
- 1.2 Capacity for peatland management strengthened through training and awareness programs to support the upscaling of good peatland management practices.
- 1.3 Innovative financial mechanisms to support sustainable peatland management and rehabilitation established.

Outcome 2: Reduced rate of degradation of peatlands in South East Asia

- 2.1 Status and trends of peatland degradation in South East Asia determined.
- 2.2 Rate of degradation of peatlands by fire reduced.

- 2.3 Conservation measures for peatland biodiversity enhanced at identified critical sites.
- 2.4 Guidelines for integrated peatland management developed and promoted for peatland areas in the region.

Outcome 3: Integrated management and rehabilitation of peatlands initiated at targeted peatlands

- 3.1 Sustainable management options for peatlands showcased through demonstration projects.
- 3.2 Maintenance and rehabilitation activities implemented in identified critical peatland sites (pilot sites) implemented.
- 3.3 Integrated management planning for identified critical sites developed and adopted.

Outcome 4: Local communities and the private sector actively contributing to sustainable peatland management

- 4.1 Integrated sustainable peatland management implemented in partnership with the private sector through joint activities at identified critical sites.
- 4.2 Local communities empowered for sustainable peatland management through poverty alleviation, alternative livelihoods and micro-financing.

Outcome 5: Project effectively managed

- 5.1 Project governance, management and coordination mechanisms at country levels established.
- 5.2 Project governance mechanism overseen and guided and effectively coordinated, monitored and evaluated.

2.3 Project Milestones

- 12. The Project has the following milestones, as defined in the Grant Agreement and Project Document, which shall be observed throughout the project period (Table 1).

3. Project Management Structure

3.1 Project Governance Structure - Overall Project

- 13. The project will be managed and implemented primarily using the existing ASEAN arrangements (as well as national institutional mechanisms i.e. the implementation structure for the APMI/ APMS) to avoid duplication and minimize project management and overhead costs.
- 14. The execution of the Project comprises two components – Project Management and Project Implementation. The main institutions involved in **Project Management** are the Committee under Conference of Parties (COP) to the ASEAN Agreement on Transboundary Haze Pollution (AATHP), IFAD, the Project Steering Committee (PSC), the National Project Implementation Committee (NPIC, i.e. the PSC at the country level) and the Local Project Implementation Committee (LPIC, i.e. the PSC at the local/ site level). The main agencies/ committees involved in **Project Implementation** are the ASEAN Secretariat, the National Coordinators, the Regional Project Executing Agency (RPEA, i.e. the Global Environment Centre, GEC), the National Project Executing Agencies (NPEA) and where appropriate, the Local Project Executing Agency (LPEA) (Figure 1).

Table 1: Project Milestones

Milestone	Definition	Actual or Expected Date
Grant Effective Date	Date on which the Grant Agreement entered into force (as per Article VII)	28 July 2009
Project Inception Date	Date on which the PSC first met and approved the First Year Work Plans, Project Procedures Manual and other key decisions necessary to initiate project implementation	24 November 2009
Project Implementation Period	4 years from the Project Inception Date	2009-2013
Mid-term Review	Review to be carried out no later than 6 months after second year of implementation	First half of 2012
Project Completion Date	4 years after the Grant Effective Date	End 2013
Grant Closing Date	6 months after the Project Completion Date	First half of 2014

3.1.1 Project Management

ASEAN

i. Committee under COP to AATHP

Chairperson: Designated by AMS

Members: Senior Officials designated by AMS

Meetings: At least once every year

Roles and Responsibilities:

- Facilitate implementation of the AATHP/ APMI/ APMS
- Facilitate networking with relevant stakeholders and processes
- Review and submit report of Project Outcomes to AATHP COP (ASEAN Environment Ministers)

ii. Project Steering Committee (PSC)

Chairperson: ASEAN Secretariat

Members: National Coordinators of the Governments of Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Viet Nam; ASEAN Secretariat, IFAD, RPEA

Invited Members: AATHP Focal Points/ representatives of the Governments of Cambodia, Lao PDR, Myanmar and Thailand

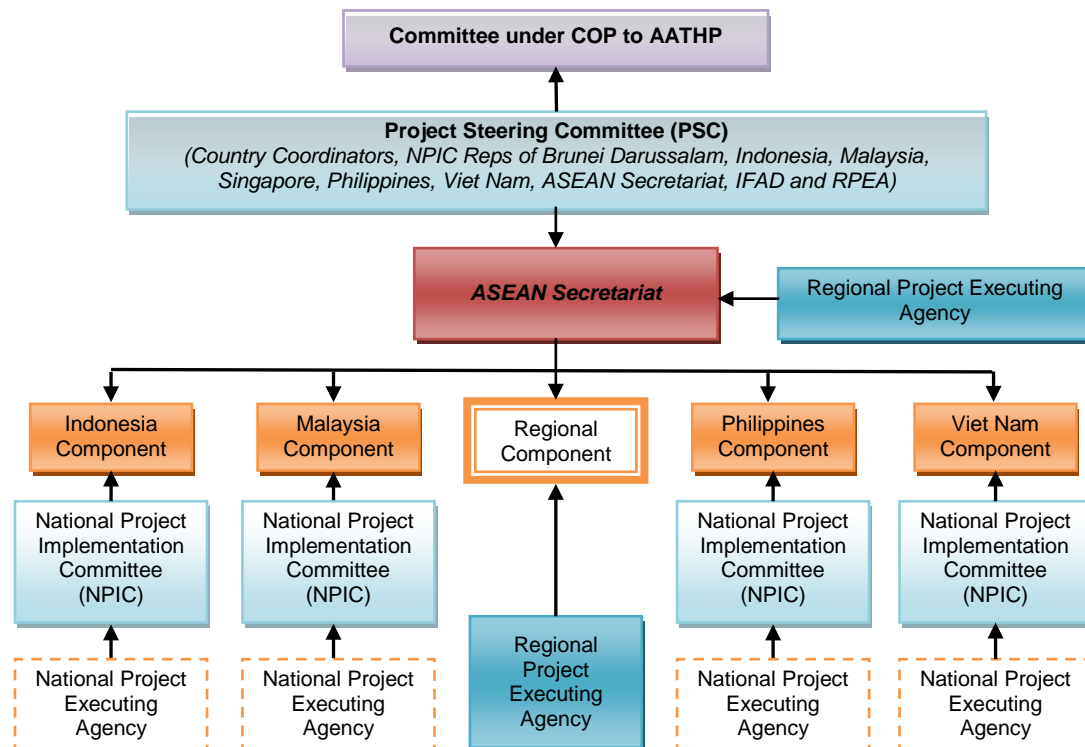


Figure 1: Overall Governance Structure for Project Management and Implementation

Observers: Relevant international organizations, experts, the private sector, community representatives

Secretariat: RPEA

Meetings: At least once a year or as the need arises (free standing or back-to-back with Committee under COP to AATHP). Proposed agenda of the meeting shall be circulated to the PSC members at least two weeks prior to the meeting.

Roles and Responsibilities:

- Report to Committee under COP to AATHP
- Provide policy directions and strategic guidance
- Provide suggestions on implementation of the APMS
- Approve the Annual Work Plan and Budget
- Appointment of the Regional Project Executing Agency, in consultation with IFAD and ASEAN Secretariat
- Guide and provide overall direction for the regional component
- Review progress of implementation of regional and country components
- Discuss, review and recommend solutions to management issues

IFAD

15. Roles and Responsibilities: IFAD is responsible for the overall supervision of the project, in accordance with IFAD policies and procedures, as well as for the provision of related services for the management of the GEF project cycle, as per GEF Council decisions.

16. The main role of IFAD is the supervision of the grant implementation, ensuring compliance with IFAD general conditions, and with the provisions and covenants of the Grant Agreement. IFAD will also assist ASEAN Secretariat, as the Grant Recipient, with implementation support, and will carry out grant supervision, as defined in section 5.4 below.
17. Responsibilities include:
- Assist the signatories to the Grant Agreement/ Sub-Agreements in the interpretation of their provisions in case of any disputes
 - Facilitate project implementation
 - Monitor compliance with Grant Agreement/ Sub-Agreements provisions
 - Review and comment on the annual work plans and budgets
 - Review and approve payments based on the Grant Recipient and Project Parties' Withdrawal Applications
 - Review and provide "No Objection" to the procurement of goods, civil works and services that requires IFAD's notification

Participating Countries

iii. National Project Implementation Committee (NPIC)

Chairperson: APMI Focal Point or other appropriate senior official

Members: National Coordinator and National Expert; representatives of relevant agencies, national project partners and other stakeholders

Secretariat: National Project Executing Agency (NPEA)

Meetings: Twice a year

Roles and Responsibilities:

- Oversee management and implementation of activities by the NPEA
- Promote partnership and linkage with relevant partners and supporters for national level activities and outputs and to mobilize resources for implementation
- Guide and provide overall direction to the country component

iv. Local Project Implementation Committee (LPIC)

Chairperson: Appropriate senior level local official

Members: Local Government, relevant local/ national agencies

Secretariat: Local Lead Agency

Meetings: Twice a year

Roles and Responsibilities:

- Overall management of pilot / demonstration site/s
- Guide and provide overall direction for the site level activities
- Report to the NPIC on progress of implementation of site level activities
- Promote partnership with relevant partners and supporters for site level activities

3.1.2 Project Implementation

i. ASEAN Secretariat (Executing Agency)

Roles and Responsibilities:

- Overall coordination and management of the Project
- Undertake contractual arrangements with IFAD, the RPEA and the Project Parties with regard to project implementation
- Coordination with participating AMS
- Formal communication with Project Parties, GEF, IFAD, and other stakeholders
- Facilitate linkage to ASEAN mechanisms (ASOEN, AATHP Committee)
- Supervise the RPEA and oversee the implementation of the country components by NPEAs
- Formal reporting to IFAD/GEF
- Responsible for overall financial management, reporting and audit
- Implementation of specific tasks

ii. Regional Project Executing Agency (RPEA)

Roles and Responsibilities:

- Support the ASEAN Secretariat in the overall coordination and implementation of the Project
- Responsible for monitoring and evaluation process, except for the MTR and Final Evaluation
- Manage and implement the regional component and ensure the timely delivery of outputs
- Technical support and guidance to respective country components
- Review progress of activities and outputs of country components and regional component
- Prepare technical progress reports/ financial reports for regional component and ensure audits are undertaken
- Compile progress reports/ financial and audit reports from country components and draft overall progress reports
- Organize regular monitoring missions to member countries
- Manage and administer funds for the regional component
- Provide logistic and secretariat support for regional meetings, workshops etc
- Support overall project fund administration, accounting and respond to the audit comments
- Identify and assist in securing additional financial resources for project implementation
- Provide necessary technical and other support to project parties and other Member States and the ASEAN Secretariat to assist with implementation of the project
- Facilitate linkages with International partners and supporters

iii. National Project Executing Agency (NPEA)

Roles and Responsibilities:

- Responsible for the day to day implementation of the country components
- Technical support and guidance to respective local components (at site level)
- Prepare semi-annual progress reports and financial statements for the country component and ensure audits are undertaken
- Support the organizing of missions by ASEC/ RPEA/ IFAD

- Responsible for financial management, reporting and audit for the country component
- Preparing the Country Annual Work Plan and Budget (CAWPB)
- Organize meetings with relevant stakeholders at national level
- Provide support to RPEA in organizing workshops/ training sessions if held in their country

iv. Local Project Executing Agency (LPEA)

Roles and Responsibilities:

- Responsible for the day to day implementation of activities at the local level (at pilot sites)
- Prepare semi-annual progress reports on the activities at the local level
- Support the organizing of missions/ meetings by ASEC/ RPEA/ IFAD
- Organize meetings with relevant stakeholders at local level

3.1.3 Responsibilities of Key Project Personnel

ASEAN Secretariat

i. Project Director (PD)

18. A Project Director (PD) shall be designated by the ASEAN Secretariat to oversee and guide the implementation of the Project over the four year period, and shall also act as the Chairman of the PSC. In order to perform this function, the Project Director shall preferably be the Head of the Environment Division as the officer in charge of transboundary haze pollution issues.

19. Roles and Responsibilities:

- Provide overall direction for management and administrative aspects of the Project
- Supervise the performance of the RPEA and the Country Components and communicate with IFAD in this respect
- Ensure timely submission of the various reports to IFAD
- Ensure that project activities are effectively implemented and coordinated by the RPEA
- Supervise the Project Officer based at the ASEAN Secretariat
- Ensure the conduct of annual audits of the Project accounts and the submission of audit reports
- Communicate as needed with the National Coordinators (NCs) on financial and administrative aspects of the Project
- Approve documents for circulation at PSC at least two weeks prior to the meetings

ii. ASEAN Secretariat Project Officer (APO)

20. A Project Officer shall be engaged by the ASEAN Secretariat to provide technical and administrative support to the PD. The ASEAN Secretariat Project Officer (APO) shall be based on a full-time basis at the ASEAN Secretariat and report directly to the PD or other designated officials.

21. Roles and responsibilities:

- Provide administrative and technical support assistance to the PD in the implementation of the Project activities
- Support the PD in the coordination and administration of the Project including

- submission of AWPB, procurement plan and progress reports to IFAD
- Coordinate closely with the RPEA and NCs on compliance of project implementation requirements
- Prepare communications related to Project implementation with the RPEA, NCs and other key project partners
- Assist the PD in organizing PSC and related meetings, including logistics, preparation of meeting documents and minutes
- Assist in the administration of project funds including reporting, disbursement and auditing
- Facilitate the travel and meeting arrangement for evaluation missions
- Any other related duties assigned by the PD

RPEA - GEC

iii. Senior Technical Advisor

22. The Senior Technical Advisor shall be the head of the RPEA and shall provide guidance and technical advice on the implementation of the Project, especially on the collaboration between the RPEA and ASEAN Secretariat and IFAD; and on the procedure for project monitoring and evaluation, as well as reporting and implementation. The STA shall also ensure the quality of work performed by the RPEA. He will provide 120 days of services spread over the duration of the Project (about 4 years).

23. Roles and responsibilities:

- Manage the work of the RPEA to ensure that work is effectively implemented and support services are provided and technical tasks are completed
- Ensure that adequate and effective support is provided to the ASEAN Secretariat by the RPEA on the administrative and financial aspects of Project
- Regularly report to the PD on the work of the RPEA with regards to project implementation
- Provide advice to the RPEA team and ASEAN Secretariat regarding administrative and financial aspects of the project and input on reporting to IFAD and on GEF procedures and requirements
- Review and provide input to the preparation of the Project Annual Work Plan and Budget
- Guide the RPEA project monitoring processes and give advice on project supervision and evaluation
- Oversee quality control on technical outputs
- Act as the formal focal point for the RPEA for communications regarding the Project

iv. RPEA Project Manager (RPM)

24. The RPEA Project Manager (RPM) shall be designated by the RPEA to provide overall support for the effective management of the Project. The RPM shall provide 18 person-months of services spread over the duration of Project (about 4 years), with two thirds of the time on technical matters and the rest on management tasks. The RPM shall also be responsible for the management of the Regional Component. The RPM shall report to the Senior Technical Advisor as the Head of the RPEA.

25. Roles and responsibilities:

- Manage the work of the RPEA to ensure that work is effectively implemented
- Manage and ensure effective implementation of the regional component of the Project including organization and participation in meetings, workshops, training

- courses, awareness programs, preparation of guidelines etc
- Manage the RPEA project monitoring processes and facilitate supervision and evaluation of the Project
- Prepare an annual work plan, including budget revisions for the RPEA, in consultation with the ASEC and Project Parties
- Provide management and technical guidance to the National Coordinators and country components
- Facilitate the linkage between the Regional and Country Components
- Oversee preparation of six monthly and annual financial and technical progress reports for submission to the PD
- Support the regular reporting to the PD on the work of the RPEA with regards to project implementation

v. Regional Project Coordinator (RPC)

26. The Regional Project Coordinator (RPC) should be a senior staff of the RPEA who will coordinate administrative, technical and management aspects of project implementation at the regional level and provide technical and management support to the National Coordinators. The RPC will work on a nearly full-time basis for approximately 40 months spread over the four years of project implementation with time evenly allocated to management and technical coordination tasks.

27. Roles and responsibilities:

- Provide overall coordination of technical and administrative aspects of the Project, in cooperation with the RPM
- Support RPM in providing management and technical guidance to the NC and Country Components
- Coordinate the implementation of the Regional Component including the organization of the different sub-components and activities including workshops, training courses, awareness activities, preparation of guidelines etc
- Provide input to the implementation of appropriate activities under the Regional Component
- Coordinate all the RPEA personnel and consultants involved in the implementation of the Regional Component
- Coordinate support by the RPEA for overall project management, administration and reporting
- Formulate six monthly and annual financial and technical progress reports and work plans related to the work of the RPEA
- Compile progress reports/ financial reports from country components and draft overall progress reports
- Report directly to the Regional Project Manager

vi. Finance and Administrative Support Services

28. Finance and Administrative Support Services will be provided by the RPEA under the guidance of the RPEA Finance and Administration Manager. These services will include the following:

- Preparation of financial reports for RPEA expenditure
- Facilitate the audit of RPEA accounts
- Guidance to Project Parties on the financial reporting system
- Review and consolidate financial and audit reports for the Country Components
- Oversee the management and disbursement of funds for RPEA expenditure including procurement processes

- Administration of RPEA personnel and consultants
- Administration and communication support for RPEA office including reception, dispatch, travel arrangements for RPEA staff etc

Participating Countries

vii. National Coordinator (NC)

29. The National Coordinator (NC) shall be a senior official of the government agency responsible for coordinating the implementation of the country component (NPEA). The NC shall preferably be involved in transboundary haze pollution and/ or peatland management issues.
30. The NC shall be the focal point for all communications regarding the implementation of the Country Component. In performing the roles and responsibilities below, the NC shall primarily communicate with the RPEA on all management and technical matters, and if necessary, to the Project Director.
31. Roles and Responsibilities:
- Responsible as the formal point of communication and day-to-day management of the Country Component
 - Coordinate and oversee the implementation of the Country Component
 - Supervise and develop the Country Annual Work Plan and Budget and ensure its alignment with the overall Project Annual Work Plan
 - Assist in securing additional financial resources for project implementation from national sources
 - Facilitate and participate in evaluation missions for the Country Component
 - Organize meetings with relevant stakeholders at national level
 - Select, supervise and manage personnel, advisors, consultants, and experts to carry out national project activities within the budget allocations
 - Procure equipment and other necessary goods and services for national level activities within the budget allocations
 - Coordinate and facilitate linkages with other organizations and institutions that will conduct related activities at the pilot sites
 - Ensure establishment and participation of site management committees at the local level
 - Organize meetings of the National Project Implementation Committee
 - Provide RPEA with six monthly and annual progress and financial reports for submission to ASEC
 - Facilitate the annual audit of accounts for the Country Component
 - Ensure implementation of the Country Component according to the national arrangements and procedures and the PPM
 - Provide support to the regional meetings and activities/ training sessions/ evaluation missions carried out in their respective country

viii. Local Coordinator (LC)

32. The Local Coordinator (LC) will be a staff of the LPEA responsible for coordinating the project implementation at the local (provincial or site) level in the participating countries. The LC will be responsible for monitoring adherence of the local level activities to the national work plan for the Country Component.

33. Roles and responsibilities:

- Be accountable to the NC for the achievement of project objectives, results and project implementation at the local level
- Support the NC to provide overall coordination of technical and administrative aspects of the project, especially at the local level
- Support the NC to coordinate the technical implementation of the project at the local level
- Support the NC on the preparation of financial reports for activities at the local level
- Coordinate with local agencies and partners on implementation of the activities at the local level
- Act as secretariat to the Local Project Implementation Committee as appropriate
- Maintain regular communication with the NC and Technical Support Officers
- Report directly to the National Coordinator

3.1.4 Additional Personnel at the Country Level

34. At the country level, the NC, may engage or designate additional personnel as necessary such as national experts, technical support staff, to assist in the effective implementation of project activities. The roles and responsibilities of these additional personnel shall be clearly spelt out by the respective National Coordinator.

3.2 Governance and Institutional Structure of the Regional and Country Components

35. The agreed institutional structure illustrates the process flow of project management and reporting by the Project Parties of their respective country components. The details of the organizational structure and implementation arrangements appear as Annex 1.

Part A

Project Implementation Procedure

4. Project Implementation Procedure

4.1 **Project Planning – The Annual Work Plan and Budget (AWPB)**

36. The Project Annual Work Plan and Budget (PAWPB) is a required part of the overall planning system of the Project. The work plan shall be developed to ensure that the project objectives, outcomes and outputs detailed in the Logical Framework Matrix and Summary of Sub-Outputs/ Activities (see Appendix B of Project Document) are achieved. The Project AWPB comprises five components namely the Regional Annual Work Plan and Budget (RAWPB) and four Country Annual Work Plans and Budget (CAWPBs), which provides the details of project implementation in each component. Progress in the implementation of the Project should be assessed against the targets and schedules set and approved in the Project AWPB (based on the logical framework matrix).

4.1.1 ***Format of the PAWPB/ RAWPB/ CAWPB***

37. The prescribed format for the AWPB/ CAWPB reflects the details required for the activities, their linkages to the expected outcomes and schedule as shown in the logical framework matrix. The format for the AWPB/ CAWPB was developed and agreed to meet IFAD's planning and reporting requirements – both in the achievements of project outputs/ outcomes and for financial reporting.

4.1.2 ***Procedure for Preparation and Approval of PAWPB/ RAWPB/ CAWPB***

38. The annual work plans shall be approved by the Project Steering Committee (PSC) at its annual meeting or ad-referendum if necessary.

39. Preparation of the draft annual work plans should follow the following process:

- i) The NC shall prepare the first draft of the CAWPB through a consultative process involving local and NPEA staff and stakeholders at the pilot sites.
- ii) The first draft of the CAWPB shall be submitted to the RPEA for review by 1 September of the previous budget year. The RPEA shall review the draft and provide comments within two weeks (15 September) and to send it back to the NC for revision.
- iii) The NC shall submit the revised draft CAWPBs to the RPEA by 1 October.
- iv) The RPEA shall develop the first draft of the RAWPB and circulate it to the NC and the ASEAN Secretariat for comments and input by 1 September.
- v) The NC and the ASEAN Secretariat shall review the draft RAWPB and provide comments and inputs to the RPEA by 15 September.
- vi) The RPEA shall compile the CAWPB together with the RAWPB (as the final draft PAWPB) and send them to the ASEAN Secretariat by 15 October for circulation to PSC members.
- vii) The ASEAN Secretariat shall submit the final draft PAWPB to IFAD for their comments and inputs before the draft is considered by the PSC.
- viii) The ASEAN Secretariat shall convene the PSC meeting in November for approval of the annual work plans, among others.

40. The annual work plans shall include, among others, a detailed description of indicators/ outputs, planned activities and costs during the planned project year; and a Procurement Plan for 12 months. The annual work plans shall be subjected to necessary reviews and approvals as required by the ASEAN Secretariat and IFAD.

41. The annual work plans shall consist of two parts: *Part 1* is a narrative which identifies sections to be completed (see Annex 2A). Directions are provided in the template to give guidance on how to fill in the various sections. *Part 2*, a standard template for the annual work plans appear in Annexes 2B, 2C and 2D.

4.2 Revisions to Approved Annual Work Plans

42. The NCs or the RPEA may request revisions to the approved annual work plans with justification and submit to the ASEAN Secretariat.
43. Revisions to the annual work plans shall require the approval of the PSC and consideration by IFAD.
44. If IFAD does not comment on the proposed revisions of the annual work plans within 30 days of receipt, they shall be deemed acceptable to IFAD.
45. As far as possible, revisions to the annual work plans should be avoided and the request for revisions shall only be made in exceptional circumstances.

5. Monitoring and Evaluation

5.1 Objective and Approach

46. Monitoring and Evaluation (M&E) is particularly vital to GEF's effectiveness for three reasons: (i) GEF's projects are often innovative or experimental; (ii) GEF is pioneering coordination among many parties; and (iii) its development of successful operational programs requires continuous learning. The Monitoring and Evaluation system is the set of planning, information gathering and synthesis, reflection and reporting processes along with the necessary supporting conditions and capacities required for the outputs of M&E to make a valuable contribution to decision-making and learning.

5.2 The Logical Framework, Indicators and Targets

47. Monitoring and Evaluation of the project and its components shall be based on the Project's Logical Framework Matrix (as in Appendix B of the Project Document) using the Logical Framework Tracking Form (LTF) (as in Annex 3 for overall project monitoring). The purpose of the LTF is to assess the progress of the project implementation against the indicators described in the Project's Logical Framework matrices.

5.3 Monitoring, Evaluation and Reporting

5.3.1 *Monitoring and Evaluation*

i. Monitoring

48. Project monitoring is a process of periodic review and supervision of project implementation to keep track of resources used and the progress achieved during the project period to ensure that the expected outputs are delivered. The monitoring may involve review of progress reports, meetings, and consultations with stakeholders. Annual

meetings such as the PSC Meetings and the Inception Meeting, progress reports sent to the COM COP, PSC and Inception Meetings to document the status of achievements of project outcomes and monitoring missions by the RPEA form part of the monitoring mechanisms built into the project design.

49. The monitoring process also includes the following:

- **Monitoring of Project AWPB/ RAWPB/ CAWPB by RPEA and NC:** The RPEA and NC/NPEA are responsible for day-to-day monitoring of the implementation of project activities based on the Project AWPB. The intention is to assess whether implementation is proceeding at the intended pace and in the right direction.
- **Semi-annual National Project Implementation Committee (NPIC) Meetings:** Country Components shall hold semi-annual NPIC meetings to review the progress of project implementation. The NC/NPEA will present the status of the project highlighting the progress, implementation problems encountered and recommendations to resolve urgent issues. The NC/NPEA shall inform the PSC of any agreements reached and decisions made during the NPIC meeting. Separate project implementation review may be conducted by the PSC if required.
- **Semi-annual Progress Report (SAPR):** The SAPR shall be prepared by the NC/NPEA and should include an analysis of project performance over the reporting period, status of the outcomes and outputs produced, major constraints, lessons learned, and recommendations. The SAPR shall be submitted on or before 31 July and 31 January every year (see [Annex 4](#) for Contents of the SAPR).
- **Annual project progress review meetings:** There will be an annual project progress review meetings at the country level, attended by one representative of the RPEA. The RPEA will review the physical and financial performances of the project at the country level. During these meetings, the performances of the project implementation will be reviewed against the AWPB and all field level performance related issues will be discussed and alternatives agreed upon. The minutes of these meetings will be documented and will be made available to subsequent evaluations and reviews.
- **Field visits:** Field visits by the RPEA/ ASEAN Secretariat to the countries will be organized on an annual basis at a minimum based on an agreed upon schedule. The RPEA will be responsible for preparing reports on mission findings and identify any support requirements. This process will allow parties to take stock and to troubleshoot any problems pertaining to the project quickly to ensure smooth implementation of project activities.
- **Special Status Reports:** IFAD/ ASEAN Secretariat/ RPEA may request the NPEA/ NCs to prepare a Special Status Report, focusing on specific needs requiring urgent attention such as a special status report for ministers, reporting for cases of gross mismanagement or undue delay in implementation. The NCs and the RPEA shall follow up promptly with any such request.

ii. Evaluation

50. Two main evaluation missions will be organized for the Project: Mid-Term Review and Final Evaluation.

- The **Mid-term Review (MTR)** – is an independent evaluation to be undertaken at the mid point of the Project i.e. during early Y3 of implementation. The MTR will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The recommendations may result in modifications to the Grant Agreement.

The ASEAN Secretariat and IFAD shall jointly carry out the MTR based on terms of reference prepared by the ASEAN Secretariat and approved by IFAD. Among others, the MTR shall consider the achievement of Project objectives and the constraints thereon, and recommend such re-orientation as may be required to achieve such objectives and remove such constraints. The RPEA shall assist in facilitating the MTR in terms of the schedule (see Table 2).

IFAD shall be responsible for financing, appointing and supervising the consultants for the Evaluation. The ASEAN Secretariat, RPEA and NC will facilitate the consultations during the Evaluation mission.

- **Final Evaluation** – The final evaluation shall focus on the assessment of the extent of the achievement of the project outcomes, lessons learned from both positive outcomes and challenges faced; effectiveness of project design, management and, implementation; and potential impact and sustainability of results, including the contribution to strengthening the capacity of ASEAN and generating global environmental benefits. The Evaluation should also provide recommendations for follow-up activities including up-scaling and sharing of experiences.

The Terms of Reference for the Final Evaluation will be prepared by ASEAN Secretariat, with the assistance of the RPEA and approved by IFAD. The evaluation should take place not later than a month after the project completion date.

IFAD shall be responsible for financing, appointment and supervision of the consultants for the Evaluation. The ASEAN Secretariat, RPEA and NC will facilitate the work of the consultants during the evaluation mission.

5.3.2 Reporting

51. Project reporting shall provide a basis for the following:

- monitoring project implementation and financial expenditures;
- guidance on project implementation and approval of work plans revisions (if there are any);
- provision of information to stakeholders; and
- documentation of the process of implementation.

52. The ASEAN Secretariat, with the assistance of the RPEA, will coordinate the preparation and submission of the following reports to IFAD, according to the milestones and reporting periods as in Table 2.

- **Inception Report:** The inception meeting at the regional level shall be conducted prior to the commencement of project implementation. This Inception Meeting will include the ASEAN Secretariat, Regional Project Executive Agency (RPEA), National

Coordinators and Country Experts, Country Finance Managers, IFAD and representatives of project partners. The **Project Inception Report** will be prepared no later than three months after the Inception Meeting and shall include a detailed Annual Work Plan and Budget (AWPB) and CAWPB divided in quarterly time-frames detailing the activities and progress indicators that will guide the first year implementation of the project. It shall also include an updated progress of project establishment and start-up activities, and any proposed amendments to project activities and approaches, as discussed and agreed during the Inception Meeting.

Table 2: Schedule of Reporting

Milestone	Report	Reporting Period	Due Date to ASEAN Secretariat	Due Date to IFAD
Inception (project start-up)	1. Inception Report	Preparation period before Inception Meeting	RPEA to ASEC within 10 weeks of Inception Meeting	3 months after Inception Meeting
Progress Reports	2. Semi Annual Progress Report (SAPR) including unaudited financial statements	Jan-June/July-Dec (semi-annually)	NC to submit to RPEA within 2 months RPEA to compile and submit to ASEC within 2 weeks	Within 3 months after reporting period (i.e. 31 st March and 30 th Sept every year)
GEF Fiscal Year	3. Annual Project Implementation Report (PIR)	1 st July – 30 th June (annually)	RPEA to submit to ASEC by 20 th September	30 th September (annually)
Project Fiscal Year (Jan-Dec)	4. Audit Report plus audited financial statements	1 st Jan – 31 Dec (previous calendar year)	NC to submit to RPEA by 30 April RPEA to consolidate and submit to ASEC by 15 June	30 June
Mid-Term Review (external)	5. Mid-Term Review Report	First 24 months of project	(Consultants to submit report directly to IFAD)	Two months after MTR
Project Completion	6. Project Completion Report (PCR)	Entire project period	NC to submit to RPEA within 3 months after Project Completion Date RPEA to submit to ASEC 5 months after Project Completion Date	No later than 6 months after Project Completion Date

- **Regional Inception Meeting**

The Regional Inception Meeting was held to facilitate the preparation of the Project AWPB, RAWPB and CAWPB. Specifically the IW is intended to: (i) introduce key staff for the project who will support its implementation; (ii) identify the roles, support services and complementary responsibilities of key staff; (iii) provide a detailed overview of IFAD-GEF reporting and monitoring and evaluation (M&E) requirements and related reviews; and (iv) provide an opportunity to inform the ASEAN Secretariat, the RPEA and NCs on IFAD project related budgetary planning and reviews.

- **National Inception Meeting:** Participating countries should also organize national inception meetings not later than two months after receipt of the first installment of project funds. The purpose of the meeting will be to inform the stakeholders of the objectives of the Project and the details of the implementation arrangements and procedures to be adopted for the Country Component. Priority actions for the first year of the project (from the CAWPB) and the involvement of stakeholders will also be discussed.

- **Semi Annual Progress Reports (SAPR):** The ASEAN Secretariat and the RPEA, in conjunction with NCs, will also be responsible to coordinate the preparation and submission of overall progress reports to cover both the financial and physical progress. The country teams will be responsible for the preparation and submission of the country reports covering both the physical and financial progress, which will be reviewed by the ASEAN Secretariat, with support from the RPEA. The RPEA will prepare the Progress Report for the Regional Component, and will assist the ASEAN Secretariat in compiling the Progress Report for the entire Project (see [Annex 4](#)). The report shall include an analysis of project performance over the reporting period, status of the outcomes and outputs produced, major constraints, lessons learned, and recommendations. The SAPR shall be submitted on or before 31 July and 31 January every year (as reflected in Section 5.3.1 (i)).

- **Project Implementation Report (PIR):** This is a major tool for monitoring the GEF portfolio and extracting lessons and is an annual monitoring process mandated by the GEF. PIR reports will be compiled/ prepared by the RPEA and NCs, under the coordination of the ASEAN Secretariat and IFAD, following the format provided by GEF.

- **Mid-Term Review Report:** The ASEAN Secretariat and IFAD will carry out a joint review of the project implementation no later than 30 months after the project start-up. The MTR will consider the achievement of project objectives and the constraints, and recommend re-orientations as may be required to achieve such objectives and remove such constraints. The MTR report containing recommendations resulting from the review will be prepared by the MTR team no later than two months after completing the MTR.

- **Project Completion Report:** During the last three months of the project the RPEA will prepare the Project Completion Report. This report should be comprehensive and should summarize all the activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved, structures and systems implemented, among others. It will also include recommendations for future actions that may need to be undertaken to ensure sustainability and replicability of the project activities. The ASEAN Secretariat, RPEA and NC/ NPEA will be responsible for the preparation and submission of the Project Completion Report to IFAD, covering both the financial and physical progress. The country teams will be responsible for the preparation and

submission of the country report covering both the physical and financial progress. Financial progress reporting will be in accordance with Section 6 in this document and will be on a quarterly basis.

5.4 **Grant Supervision**

53. IFAD is responsible for the overall supervision of the project. According to the IFAD Supervision Policy, **supervision** is the administration of the grant, for the purposes of the disbursement of its proceeds and the supervision of the implementation of the project or programme concerned. It ensures compliance with grant covenants, procurement, disbursement and the end-use of funds, and is an effective tool for promoting economy, efficiency and good governance.
54. Overall grant supervision also includes implementation support to the Grant Recipient (ASEAN Secretariat), and grant administration, that are mutually supportive and operationally linked functions. **Implementation support** focuses on development impact based on assessment of progress against agreed indicators embedded in an effective monitoring and evaluation (M&E) system, joint identification of problems and solutions with recipients and implementers, and agreement on suitable actions to achieve the project's development objectives. Where needed, this is supported by project-specific technical support, policy dialogue, innovations and programme and/ or design adjustments to improve effectiveness. Implementation support pays special attention to social and environmental dimensions, including improved targeting and mainstreaming of gender issues.
55. On its part, **grant administration** is the part of the supervision process that deals with the issues of disbursement and flow of funds, procurement of goods and services, and financial control and management aspects of implementation such as budgeting and accounting, financial planning and reporting and audit.

5.4.1 **Supervision Cycle**

56. The annual supervision plan includes the revision of AWPB, the review of progress reports (SAPR and PIR) and the execution of supervision missions to review progress of the project and to assist the RPEA and Project Parties in improving project implementation. There will be one main supervision mission per year, with schedule and terms of references to be agreed with the RPEA.
57. Supervision and implementation support should respond flexibly to the changing environment and needs of the project. Therefore, supervision and implementation support requirements, and the frequency, intensity and composition of supervision missions and follow-up activities will change over the life of the project and in line with project priorities and circumstances, and as country programme circumstances evolve.

5.4.2 **Supervision Reports**

- **Aide-Memoire:** An Aide-Memoire summarizing the findings of the supervision mission should be prepared, and be made the agenda of the final (wrap-up) mission meeting. It should itemize those issues on which agreement was reached and those that remain to be resolved. Mission recommendations should be included in the Aide-Memoire but

preferably segregated and clearly headed as “Recommendations”. Any agreed changes, additions and omissions can then be accommodated by the mission.

- **Management Letter:** After the supervision mission, IFAD will prepare a Management Letter addressed to the ASEAN Secretariat, as Grant Recipient, highlighting positive and negative trends in implementation and concerns relevant to IFAD’s strategic thrusts. The Letter may also request resolution or intervention with regard to issues that have to be addressed by implementing agencies at higher levels.
- **Supervision Report:** The Supervision Report is the end product of the supervision process. The Supervision Report is a tool, to be used by both Project managers and IFAD, to judge progress over time and the vehicle to ensure that project objectives are being met. It should be seen as an opportunity to raise implementation issues with Project managers and IFAD management. In order to achieve optimum results, the report should accurately reflect progress achieved (both physical and financial), indicate present and potential impact and highlight issues for follow-up, on the part of both the project and IFAD. Although part of IFAD’s institutional memory, the focus of the report should be on action, undertaken or envisaged, to improve project progress. The Supervision Reports for a specific project should document the evolution of the project over time, and therefore, build one upon another. The report of the most recent supervision mission forms the basis for the next.

5.4.3 Implementation Support

58. Implementation support is often delivered as an outcome of supervision missions, or might be based on requests from implementing entities at the national level throughout the year. The support may range from assistance in solving complex issues to more hands-on advice for facilitating project implementation.

59. Implementation support typically includes one or more of these activities:

- Assistance in re-focusing the strategic direction of the project, including advice on revision and modification of components and implementation arrangements;
- Assistance in carrying out the mid-term review (MTR);
- Support to ensure high quality programming (AWPB) and reporting;
- Support for the establishment of partnerships with national and international entities;
- Assistance for the establishment of cost-effective and pragmatic systems for monitoring and impact assessment;
- Assistance to resolving financial, procurement and other management issues; and
- Assistance for the identification and recruitment of technical assistance personnel for solving bottlenecks in project implementation.

Part B

Financial Management and Disbursement

6. Financial Management and Disbursement

6.1 Overall Financial Management and Reporting

60. The ASEAN Secretariat is responsible for financial management and reporting of the Project. The RPEA shall assist the ASEAN Secretariat in the preparation of the consolidated financial statement in accordance with the provisions of the Grant Agreement, based on the financial statements submitted by each Project Party. The consolidated Financial Statements shall be submitted to IFAD within three months after the end of the fiscal year (by 31 March of the following year).

6.2 Funds Disbursement by IFAD

6.2.1 Disbursement for ASEC

61. ASEC shall submit the Withdrawal Application (WA) (see [Annex 6A](#)) in accordance with the RAWPB.

62. The first WA needs to be accompanied by:

- i. An original Withdrawal Application Form (see [Annex 6A](#))
- ii. An original Authorization Form (see [Annex 6B](#))
- iii. An original Banking Details Form ([Annex 6C](#))

Disbursement will be to ASEC (for the Regional Component) and ASEC will provide funds to the RPEA based on requests/ invoices.

63. Withdrawal Application for subsequent disbursement shall be based on the approved RAWPB of the appropriate period and shall be supported by:

- i. Original Withdrawal Application Form
- ii. A Statement of Expenditures (SoE, [Annex 6D](#) for ASEC) for the previous period, reporting the utilization of funds for at least 50% of the immediately preceding advance to be approved by ASEC (from second WA onwards). This SoE will only include expenditure relating to the overall management and Regional Component
- iii. Original Authorization Form ([Annex 6B](#)) as referenced in the Grant Agreement (only if there is a change of signatory) and original Banking Details Form ([Annex 6C](#)) (only if there is a change of Banks)
- iv. Approved RAWPB, including the Procurement Plan

64. ASEC may also need to include other documents and other evidence in support of the application as IFAD may reasonably request.

65. On receipt of the complete set of documents as above, ASEC will prepare a WA and submit it to IFAD together with the documents.

66. At the start of the project implementation, ASEC may request an advance payment of up to 75% of the budget in the approved RAWPB for the first year. Once the expenditure has reached 50% of the advance, ASEC is eligible to submit a request for the balance (25%) of the annual budget.

67. For the second and subsequent years, the level of advances will be determined following a review by IFAD based on the progress of project implementation in the first year. The

review by IFAD will be carried out by the time of the second PSC meeting in November 2010.

68. The disbursement of the funds to any one component (Countries and Regional) will not be affected by the non-compliance and non-performance of any other component (Country and Regional).

6.2.2 Disbursement for the Project Parties

69. Project Parties shall submit a Withdrawal Request (WR) (see [Annex 7A](#)) to ASEC in accordance with the Approved CAWPB.
70. The first WR for the Project Parties needs to be accompanied by:
 - i. An original Withdrawal Request Form (see [Annex 7A](#))
 - ii. An original Authorization Form (see [Annex 7B](#)) and
 - iii. An original Banking Details Form [Annex 7C](#))

Disbursement will be directly to the bank account for the Project Party.

71. Withdrawal Applications for subsequent disbursements shall be based on the approved CAWPB of the appropriate period and shall be supported by:
 - i. An original Withdrawal Request Form ([Annex 7A](#))
 - ii. A Statement of Expenditure for the Country Component (SoE, [Annex 7D](#)) for the previous period, reporting the utilization of funds for at least 50% of the immediately preceding advance to be approved by the authorized signatory
 - iii. An original Authorization Form ([Annex 7C](#)) as referenced in the Grant Agreement (if there is a change of signatory) and the original Banking Details Form ([Annex 7C](#) if there is a change of Banks)
 - iv. Approved Project AWPB, including the Procurement Plan
72. The Project Party may have to submit any additional documents and other evidence in support of the application as ASEC may reasonably request.
73. On receipt of the complete set of documents as above, ASEC shall prepare a Withdrawal Application on behalf of the Project Party and submit it to IFAD together with the supporting documents. ASEC shall notify the Project Party of the submission of the WA and IFAD shall notify ASEC and the Project Party when they have disbursed the Funds.
74. At the start of the project implementation, the Project Party may request an advance payment of up to 75% of the budget in the approved CAWPB for the first year. Once the expenditure has reached 50% of the advance, the Project Party are eligible to submit a request for the balance of the annual budget.
75. For the second and subsequent years, the level of advances will be determined following a review by IFAD based on the progress of project implementation in the first year. The review by IFAD will be carried out by the time of the second PSC meeting in Nov 2010.
76. The disbursement of the funds to any one Component will not be affected by the non-compliance and non-performance of any other component (Country and Regional).
77. If ASEC determines that a Project Party is not complying with the requirement of the provisions of the Grant Agreement and/ or Sub-Agreement, ASEC may withhold submission of WA to IFAD.

6.3 Financial Management of the Regional Component

78. The RPEA is responsible for the implementation of the Regional Component and shall be responsible to the ASEC for the proper utilization of the Funds as outlined in accordance with the Grant Agreement.
79. The RPEA shall prepare the Financial Statement for the funds channeled to the RPEA for the Regional Components and deliver it in a timely manner to the ASEC.
80. The RPEA shall prepare the consolidated Financial Statement incorporating the RPEA Financial Statements, the Country Financial Statements and ASEC Financial Statement.
81. The following basic principles underlie the finance management procedures of the RPEA. The responsibility for management of the project finance at the regional level is Finance and Administration Manager (FAM) of the RPEA, overseen by the STA.
 - i. For purpose of financial control, the authority to verify expenditure shall rest with the FAM/ RPM of the RPEA while the person with authority to approve payment for the RPEA shall be the STA or an alternate authorized signatory. The same person shall not both authorize expenditure and approve payments.
 - ii. All disbursement of funds shall be done using an appropriate Payment Voucher Form completed and submitted with the appropriate supporting documents and then signed by at least two appropriate persons.
 - iii. The verification of an expenditure means that the expenditure is proper i.e. in accordance with the approved project document and that funds have been allocated on the relevant project budget line to cover the expenditure.
 - iv. The approval of a payment means that the expenditure had been duly verified and that there is supporting documentation which indicates that the goods or services for which payment is claimed have been received or rendered in accordance with the relevant terms of reference, job description, contract or specifications.
 - v. The FAM/ RPM shall regularly monitor and track expenditures to avoid any over expenditure. The FAM/ RPM shall also keep track of the balances in the books and record any committed expenditures which are unpaid and to ensure that funds are available before approving future payments.

6.4 Financial Management of the Country Components

82. The Project Parties shall adapt all of the above principles to suit the country requirements and procedures to ensure the effective and transparent financial management of the country Funds.

6.5 Guidelines for Operating Bank Account

83. All Country Components and the RPEA shall open a Project bank account in USD/ local currency for the transfer of funds. The account will be used solely for project purposes, where the account will be used to hold funds transferred from IFAD on authorization by the ASEAN Secretariat – prior to expenditure.

84. All payments from the account will require two authorized signatories for each payment. These signatures are to be placed on the authorization voucher and also for the cheques or bank transfer documents.
85. All Country Components and the RPEA should also record the transactions for payments made and received in a cash book and prepare a bank reconciliation statement at the end of the month for audit purposes.

6.6 Project Accounting

6.6.1 Categories

86. Project expenditure in all components of the project needs to be tracked according to two variables:

- (a) The Eligible Expenditure (budget) category including the Outcome/ Output number (The numbering of the Outcome/ Outputs is described in [Annex 2](#)); and
- (b) The Expense Category as below:
 - A. Community-based services
 - B. Equipment
 - C. Technical support/Studies
 - D. Training/Workshops/Awareness/Publications
 - E. Staff Salaries and Allowances
 - F. Operation and Maintenance
 - G. Travel and Subsistence for Management

These are defined below:

A. Community-based Services

These are expenditures for local management actions or works to be channeled through community-based development modality or to local contractors that relates to peatland management e.g. canal blocking, tree planting, nursery development, as well as community agriculture /livelihood, etc

B. Equipment

These are expenditures that relate to purchase of non-expendable equipment. Equipment valued above USD500 should be recorded in the Asset Register Form ([Annex 8](#)).

C. Technical Support/ Studies

These are expenditures that relate to payment for services rendered (short-term staff salary and consultants' fees) such as administration, financial services, technical support services, website services and small grants. These costs will include related travel costs, subsistence allowance, hotel charges, running costs and other necessary expenditure.

D. Training/ Workshops/ Awareness/ Publications

These are expenditures that relate to training workshops and awareness activities including meeting packages, facilitators' fees, travel costs, subsistence allowances, and accommodation. This will also include expenditures that relate to the printing of awareness materials and publications, exhibitions, awareness campaign, etc

E. Staff Salaries and Allowances

These are expenditures that relate to salaries of long-term Project Staff, paid by the project only (e.g. ASEAN Secretariat Project Officer, Country Project Officer).

F. Operation and Maintenance

These are expenditures that relate to rental services, communication costs, expendable equipment, and supplies.

G. Travel and Subsistence for Management

These are travel-related expenditures of Project personnel including project staff and other personnel (e.g. ASEAN Secretariat, National Coordinators, etc) who are not consultants (Item C) for management meetings/ workshops, supervision etc, but not for project meetings and workshops (under item D).

6.6.2 Accounting System

87. The RPEA and the Project Parties must retain records of project expenditure in an appropriate accounting system including at a minimum the following elements:
- Cash book
 - Bank Reconciliation statements
 - General ledger (including a chronological record of all payments made and receipts)
 - Project Income and expenditure (analyzed according to both Eligible Expenditure (budget) category and the Expense Category)
88. The accounting System must be computerized and preferably using a recognized accounting software.

6.6.3 Accounting Documentation

89. Documentation of all expenditure is a critical part of the accounting system. As a minimum the documentation should include the following:
- Expenditure records (Authorized payment Vouchers) with supporting documents (invoices, receipts, contracts, Purchase Orders POs, Delivery Orders DOs etc).
 - Copies of bank statements and reconciliation reports (in chronological order).
 - Monthly print out of Cash Book General Ledger and Income and Expenditure Report.
 - File with samples of all financial control and related administrative processing forms in use.
 - Asset Register List (with all additions including serial no cost, date of purchase and condition of asset); proof of annual physical verification an asset register form shall be completed and any discrepancy should be accounted for properly (ref [Annex 8](#)).
 - Personnel files for each project employee/consultant that contains CV, service agreement, position description, notices and letters related to the appointment, adjustment of salary or fee.
90. A voucher should be prepared for all payments to be approved by the authorized signatories. All payments made/ to be made should be in line with the output/ activity and recorded in a cash book on a monthly basis.
91. Thresholds should be set by each country as appropriate for payments by cash or bank transfer/ cheques.

92. Dedicated files must be maintained to keep hard copies of the payment vouchers and supporting receipts/ invoices from the supplier/ vendor.
93. In cases where receipts are not in English – brief translation should be included in the voucher.
94. All documentation authenticating the expenditure will be maintained by the Project Parties and the RPEA for each Component for not less than five years after the Grant Closing Date.

6.6.4 Financial Reports

95. Finance reports to ASEC should be prepared using the financial reporting forms (see Annex 9).
96. However for issues that require immediate attention, a Special Status Report may be required at any time (see Section 5.3.1).

6.7 Travel Claims

97. All official travel on the project should have prior approval before the date of travel and all costs of travel should be within the budget allocated. Travelers should be informed regarding lodging venues, rates, reimbursement procedures, prior to initiating travel.
98. All project personnel should complete a claim for travel reimbursement immediately on return from a mission. The travel claim should include the necessary supporting documents such as boarding passes, airport taxes, road tolls, taxi receipts, mileage claim, accommodation (if any), and other allowed expenses. The receipts should describe, at minimum, the amount, description of the cost, the date of payment, the name of the person/ vendor. In cases, where a receipt from the vendor cannot be obtained, then a separate form (memo) should be signed by the person making the claim.
 - a. Transportation costs – will be reimbursed on an actual incurred basis. Travel should be by the most direct, economy class rate.
 - b. Lodging – will be reimbursed on an actual cost incurred basis supported by hotel receipt. Lodging cost should be reasonable and within the approved budget.
 - c. Daily Subsistence Allowance (DSA) on the project should follow the national and regional standard rates as in Annex 10.
 - d. Other miscellaneous expenses – such as photocopying, purchase/ processing of films, stationeries, consumables shall be allowed for the course of the travel period as long as it is related to the work of the Project and will be reimbursed based on actual receipts produced with supporting notes/memo for authentication purposes.
99. In the event of unavailability to produce supporting receipts or invoice (e.g. in the case of small expenses such as taxi, public transport), then a separate form should be completed and signed for verification purposes by person making the expenses.

6.8 Procurement Procedures

100. **Procurement of Goods/ Works and Consulting Services** financed by the Grant will be undertaken in line with the procedures in schedule 5 of the Grant Sub-Agreement (Annex 11).

6.8.1 *Categories for Procurement*

101. Procurement is required for two types of expenditure:

- (i). Goods (including among others, vehicles, office equipment, computers that is durable with high value and relatively long life) and Works (e.g. peatland rehabilitation, construction, etc).
- (ii). Consulting services. This includes individual consultants, firms, institutions and NGOs.

102. In relation to the Expense Categories as stated in section 6.6, procurement procedures are required for the following:

- A. Community-based services
- B. Equipment
- C. Technical support /Studies

6.8.2 *Procedures for Procurement*

Goods and Works

103. In relation to the project this relates to categories A and B.

104. The methods which are permitted under the procurement of goods and works are the following:

A. Community-based Services

- (i) Procurement with Community Participation
This procurement method can be used for activities that can be undertaken through community action such as canal blocking, tree planting, nursery development, as well as community agriculture/ livelihood, maintenance and management work funds. Funds should be channeled to local community members through the intermediary of local NGOs or CBOs.
- (ii) Direct Contracting
For appointment of local contractors for small scale work (according to national threshold levels) – contract can be developed through direct negotiations with a suitably qualified contractor.
- (iii) National shopping
For medium scale works (according to national threshold levels) at least three quotations would be required and the contractor selected on a basis of cost and capability.

(iv) National Competitive Bidding

For large scale works there should be competitive bidding according to national procedures.

B. Equipment

(v) National shopping

For non-expendable equipment valued more than USD500, a minimum of three quotations will be required.

(vi) Direct Purchase

Purchase of very specialized equipment or goods that may be available only from one special supplier. This would need special justification.

105. The award of any contract for goods or works estimated to cost USD100,000 equivalent or more shall be subject to prior review by IFAD.

106. The above mentioned threshold may be modified from time to time as required.

Procurement of Consulting Services/ Sub Contract

107. The methods which are permitted for the procurement of consulting services/ sub-contract are as below:

C. Technical support /Studies

108. The following selection methods are recommended to evaluate bids or proposals submitted in response to requests for proposals to implement specific tasks:

(i) Quality and Cost-Based Selection

Proposals would be selected based on a balance between the technical quality and the proposed cost of the work.

(ii) Selection under a Fixed Budget

Bidders would be asked to propose what could be undertaken for a specific fixed budget and then the best technical proposal selected.

(iii) Selection based on Consultant's Qualifications

This is normally for specialist appointments e.g. Auditors.

(iv) Single source selection of organizations

This should only rarely be used and in the following circumstances: (i) the work is a natural continuation of ongoing work by the organizations; (ii) when only one organization is qualified or has experience of exceptional worth, and (iii) the assignment is very small.

(v) Selection of Individual Consultants

Individual consultants are normally appointed when (i) the experience and qualifications of the individual are of paramount requirement; (ii) teams of personnel are not needed, and (iii) the work is generally short term or for short periods over a longer duration.

109. The award of any contract for consulting services estimated to cost USD60,000 equivalent or more shall be subject to prior review by IFAD.
110. Thresholds (if any) at the Country level should be determined according to national procedures.

6.8.2 Bidding documents and contracts

111. Elements of a contract for consulting services of a sub-contract:
- i) Agreement - an agreement includes an offer and acceptance, i.e. both parties must agree to the terms and conditions.
 - ii) Consideration - in the form of monetary value.
 - iii) Legality and mutual assent - the sub-contract must be legal and mutual assent must be genuine.
 - iv) Form - the sub-contract must be in whatever form local law requires.
112. Payment: payment will be made based on an agreed schedule of payment and based on invoices/ request for payments which will be accompanied by supporting documents and duly authorized by the signatories.
113. All bidding documents and contracts for provision of goods, works and consultancy/ sub- contract services should comply to:
- i) Allow full inspection of the bid documentation and related records;
 - ii) Maintain all documents and records related to the bid or contract for three years after completion of the bid or contract; and
 - iii) Assist and cooperate during any audit investigation by providing the necessary documents.

6.9 Co-funding Reporting

6.9.1 Annual GEF Co-financing Report Responsibility

114. Each NC and the RPEA should submit a co-financing plan on an annual basis at the same time as submitting the AWPB.
115. Subsequently, each NC and the RPEA must submit a status report (as shown in [Annex 12](#)) 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 ASEC for submission to IFAD.

6.9.2 Co-financing Verification

116. Verification of co-financing (in cash or in kind) can be addressed through the provision of annual statements from the co-financing agency. It is also noted that most of the co-funding for the Project is in-kind contributions from the countries. The NC should retain necessary documentation as proof of the co-funding support, for e.g. a contract/ agreement with co-funders, financial budgets from national agencies etc.

6.10 Project Audit

117. Each Component (country and RPEA) needs to formally appoint a suitably qualified (nationally recognized/ licensed) auditor for the full project period. The appointment should be made within 3 months of the start of project implementation.
118. The terms of reference of the auditor should be based on the IFAD Guidelines on project audit.
119. A copy of the letter of appointment and terms of reference should be provided to ASEC.
120. Each year the Project Party and the RPEA should prepare an annual statement of expenditure within three months of the end of the previous year. This statement should then be audited and submitted to the RPEA by 30 April at the latest.
121. For each component the auditors will also be asked to provide a separate opinion on:
- The certified Statement of Expenditure (SOE) submitted in the previous year
 - The operation of the project bank account

They should also deliver a management letter addressing the adequacy of the accounting procedures and systems and internal controls.

122. The RPEA should compile the audit reports, opinions and management letters and submit to ASEC at latest by 31 May. ASEC should then submit the documents to IFAD by 30 June each year.

6.11 Currency Conversion and Exchange Rates

123. In the case of currency conversion and exchange rates for preparation of accounts and summary expenditure statements, a standard currency conversion rate will be provided by the RPEA to all countries to follow when recording of expenditures. This will be reviewed at the year-end based on the current rate of exchange and will be revised and notified to countries to follow in the next reporting period.

6.12 Project Documentation

124. The following documents and/ or files should be retained by the NPEA/ RPEA:
- Grant Sub-Agreement (for NPEA)
 - Special Services Agreement (for RPEA)
 - Project Document
 - Project Procedures Manual
 - Approved budget with all revisions
 - All project-related reports (progress, financial, review, and audit reports, among others)
 - Copies of all deliverables

Annex 1

Implementation Structure for the Regional and Country Components

Annex 1A. Regional Component

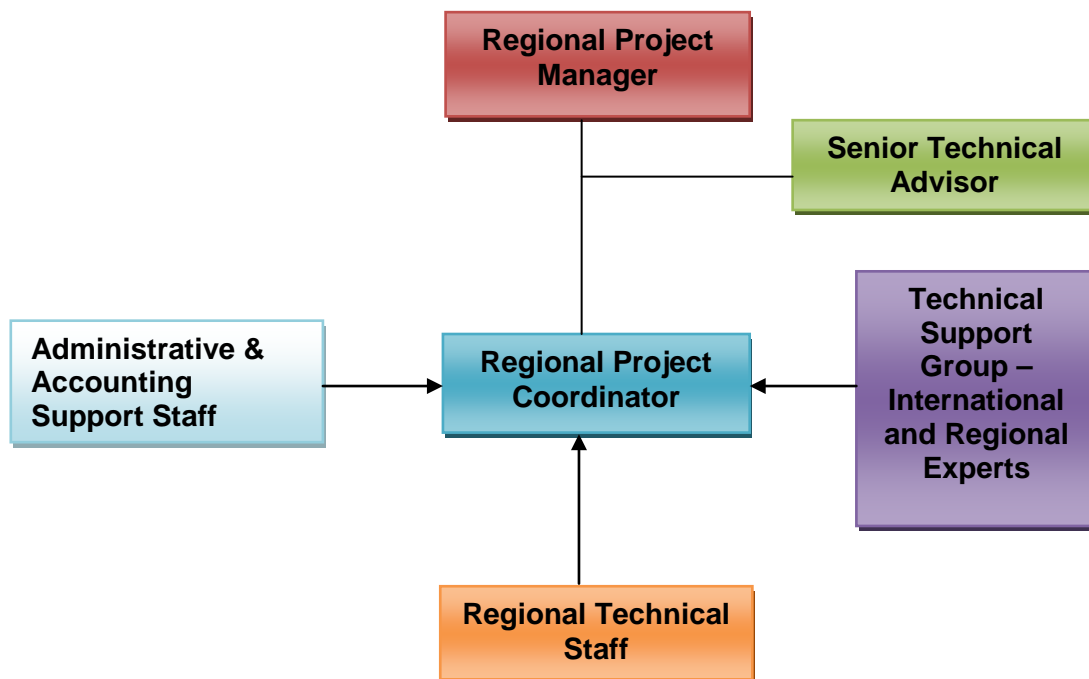


Figure 2: Proposed Structure of the RPEA Team

The roles of the two key personnel of the RPEA team – the Regional Project Manager and the Regional Project Coordinator – are provided in Section 3.2 above. In addition, the RPEA team will also consist of the Senior Technical Advisor and Regional Technical Staff (essentially two staff of the Peatland Programme at GEC), who will be further supported by short-term international and regional experts for specific technical studies. The administrative and financial management of the RPEA will be provided through the services of the Administrative and Accounting Section of GEC.

i. Senior Technical Advisor

Roles and responsibilities:

- Provide technical advice on the implementation of the Project, especially on issues of collaboration between the RPEA, ASEAN Secretariat and IFAD; and on the procedure for project monitoring and evaluation, as well as reporting and implementation
- Provide advice to the RPEA team regarding administrative and financial aspects of the project
- Provide advice on the internal project monitoring missions and mid-term evaluation

- Provide advice and input on reporting to IFAD and on GEF procedures and requirements
- Provide advice on financial management and procedures to assist the Project Director to coordinate the annual audit of project accounts
- Provide quality control on technical outputs

ii. Regional Technical Staff

To provide assistance on all matters with regards to technical and operational aspects of project implementation, including those listed below.

Peatland Biodiversity Management, Carbon Storage and Vulnerability and Capacity Building

- Assist to compile, and analyze data from each ASEAN country on extent, status, biodiversity values and changes in peatlands
- Assist to identify priorities for biodiversity conservation and promote the establishment of a network of protected peatlands
- Assist to identify priorities for biodiversity conservation and promote the establishment of a network of protected peatlands
- Assist to assess the vulnerability of peatlands to climate change and develop guidance on adaptation options
- Assist to assess the role of peatlands in carbon storage and sequestration and the impact of land use changes and management options to reduce emissions
- Assist to collate, develop and disseminate guidelines/ best practice for integrated planning for sustainable peatland management including buffer zone and catchment protection – e.g. for planners, local government

Regional networking

- Establish, compile and disseminate information on regional network of demonstration sites
- Organize meetings/ exchanges and promote upscaling of demonstration site experience

Training

- Facilitate and support TOT training and exchange programmes for the region including study tours and multi-country workshops

Plantations in Peatlands

- Provide input to consultations with the plantation sector in partnership with RSPO, national plantation associations and other organizations to promote sound plantation management on peatlands
- Collaborate with selected plantation companies, RSPO, national associations to test, demonstrate and promote these guidelines

iii. Technical Support Group (International and National Experts)

- Provide technical support and capacity building to ASEAN Member States to assess peatlands and finalize or update their respective NAPs
- Assist with the identification of priorities for biodiversity conservation and promote the establishment of a network of protected peatlands
- Support work to promote the assessment of the vulnerability of peatlands to climate change and develop guidance on adaptation options

- Support work to promote the assessment of the role of peatlands in carbon storage and sequestration and the impact of land use changes and management options to reduce emissions
- Help develop guidelines for responsible management of existing oil palm and forest plantation on peatlands to recognize examples of good practice
- Assist in collating, developing or adapting guidelines/ best practice for integrated planning for sustainable peatland management including buffer zone and catchment protection – e.g. for planners, local government etc
- Help develop general guidelines/ modules/ information materials for community livelihood and sustainable peatland management for adaptation/ dissemination at the country level
- Develop guidelines for responsible management of existing oil palm and forest plantation on peatlands to recognize examples of good practice

Annex 1B. Indonesia Component

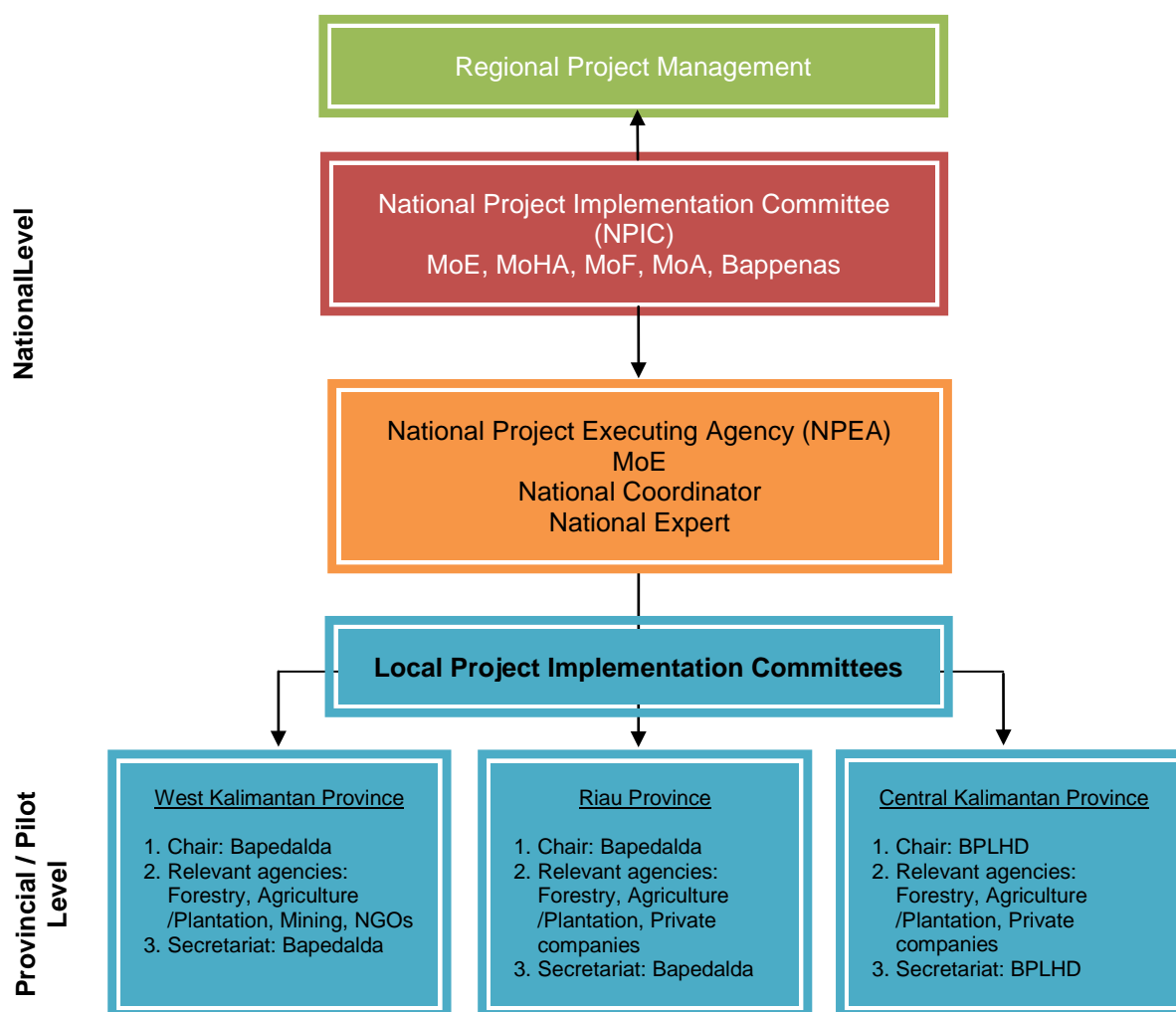


Figure 3: Proposed Management and Implementation Arrangements at National and Local Levels in Indonesia

i. National Project Implementation Committee (NPIC)

Chairman: HTTF Focal Point (MoE)

Members: Relevant key agencies (MoHA, MoF, MoA, Bappenas), Partners (NGOs, Donor agencies), Supporters (Universities, Research Agencies), National Coordinator and National Expert

Secretariat: National Project Executing Agency/ National Coordinator (MoE)

Meetings: Twice a year

ii. National Project Executing Agency (NPEA) - MOE

Chair: National Coordinator (NC)

Members: Appointed Staff of the Ministry of Environment (MoE), supported by the National Expert

Secretariat: MOE

Meetings: Four times a year

iii. Local Project Implementation Committee (LPIC)

Chair: Bapedalda/ BPLHD

Members: Relevant key agencies (Bappeda, Forestry, Plantation, Agriculture, Public Works, Mining-agencies), Partners (NGOs, private companies), Supporters (Universities, Research Agencies)

Secretariat: Bapedalda

Meetings: Four times a year

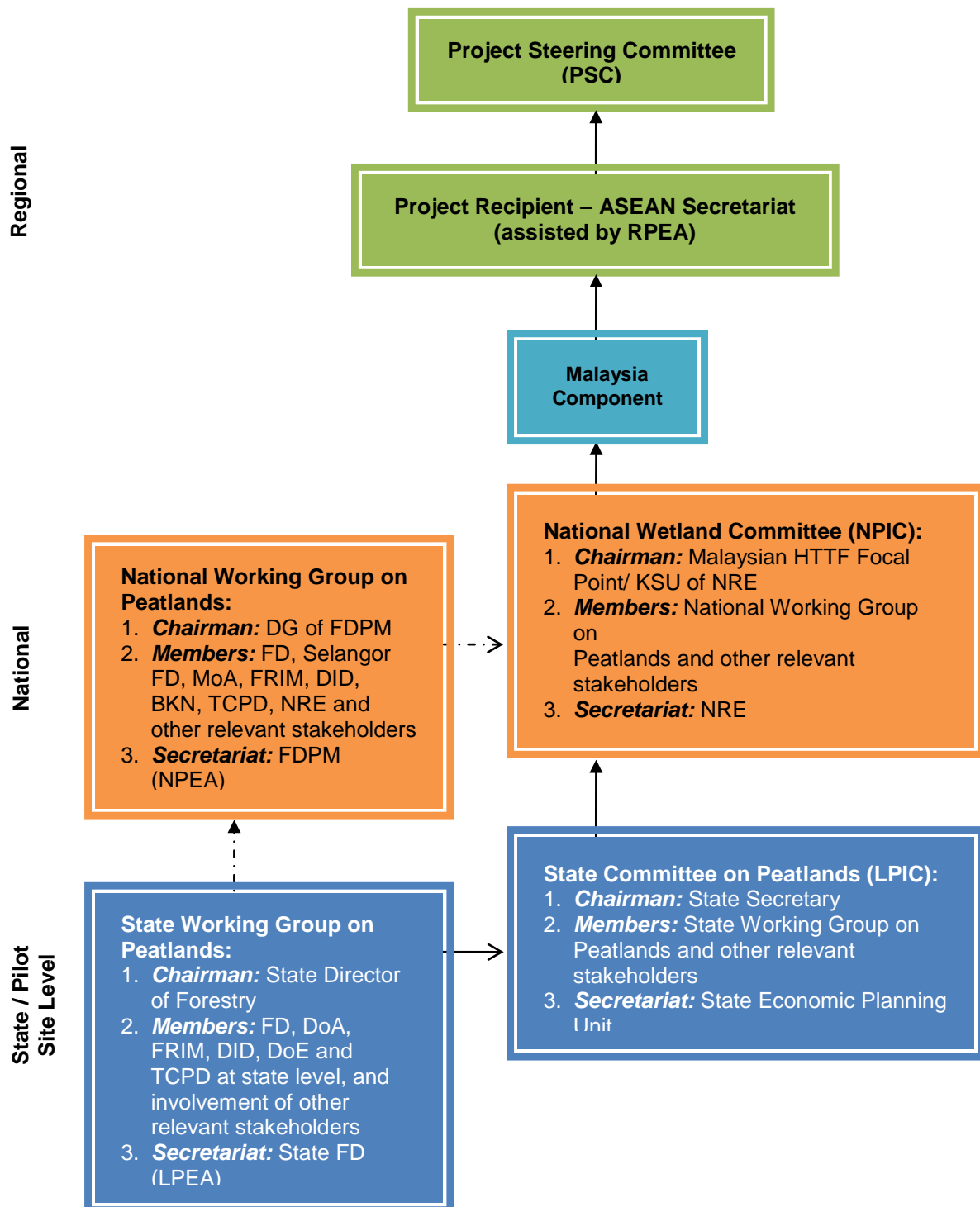
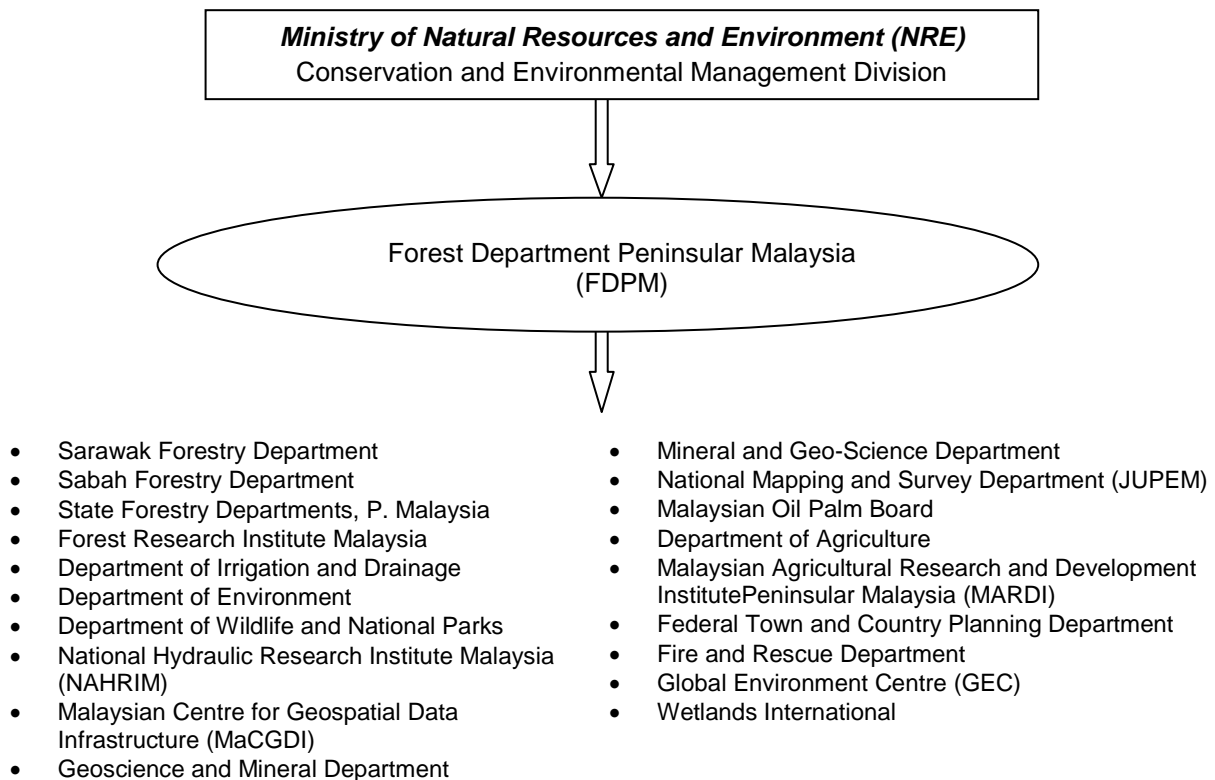
Annex 1C. Malaysia Component

Figure 4: Proposed Implementing Arrangements in Malaysia at Local and National Levels

National Level



State/Site Level

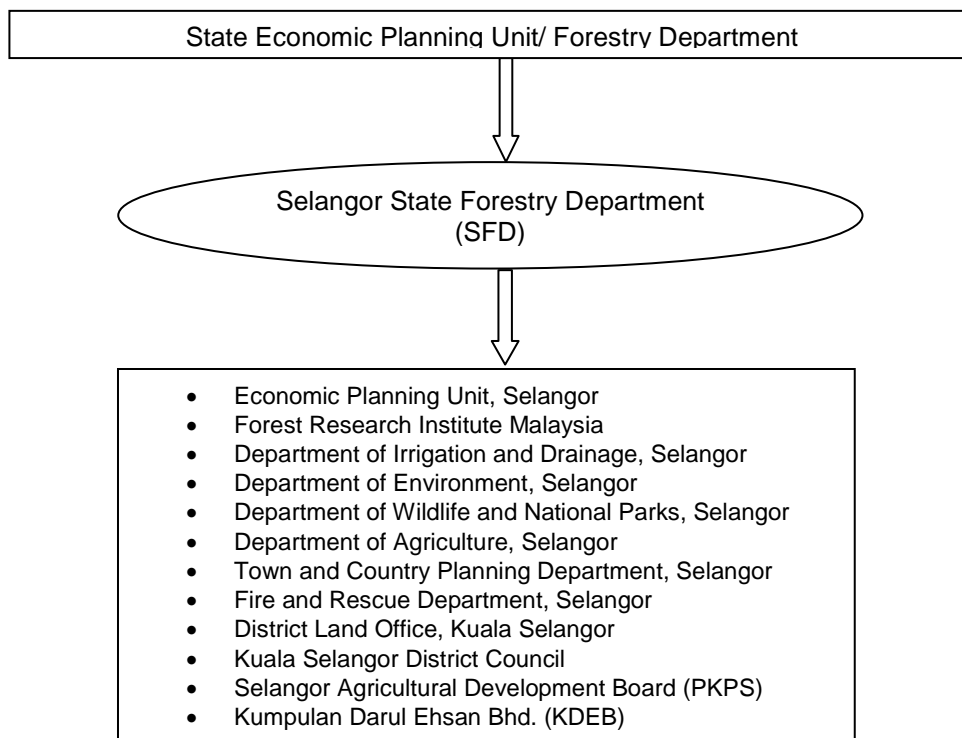


Figure 5: Institutions Responsible for Peatland Management in Malaysia

i. National Project Implementation Committee (NPIC) - National Wetland Committee

Chairperson: Ministry of Natural Resources & Environment (NRE) (chaired by KSU/ TKSU)

Secretariat: Forestry Department of Peninsular Malaysia (National Coordinator)

Members: Sarawak Forestry Department, Sabah Forestry Department, State Forestry Departments, P. Malaysia, Forest Research Institute Malaysia, Department of Irrigation and Drainage, Department of Environment, Department of Wildlife and National Parks, National Hydraulic Research Institute Malaysia (NAHRIM), Land and Mines Department, National Mapping and Survey Department (JUPEM), Department of Agriculture, Federal Town and Country Planning Department, Fire and Rescue Department, Global Environment Centre (GEC), Wetlands International

Meetings: Twice a year

The proposed national structure for coordination of the National Action Plan on Peatlands is proposed to act as a National Project Implementation Committee (NPIC) for the Malaysia Component.

Table 3: Proposed Structure for the NPIC

	Secretariat	Members
National Wetland Committee	NRE (chaired by KSU/ TKSU)	
National Working Group on Peatlands (inter-agency incl. Sabah & Sarawak)	Forestry Department Peninsular Malaysia (FDPM)	
Task Force on key issues:		
Forestry	Forestry Dept Pen. Malaysia	Involving relevant stakeholders
Agriculture	Ministry of Agriculture (DoA)	
Research & Development	Forest Research Institute of Malaysia (FRIM)	
Water management	Dept of Irrigation and Drainage (DID)	
Fire (monitoring, warning, prevention)	Prime Minister Dept (BKN) – Fire & Rescue Dept. (FRD)	
Planning & Infrastructure	Town and Country Planning Dept (TCPD)	
Environment	Dept of Environment (DOE)	

ii. Local State Implementation Committee (LPIC) – State Committee on Peatlands

Chairperson: State Secretary of Selangor

Members: State Working Group on Peatlands and other relevant stakeholders

Secretariat: State Economic Planning Unit of Selangor (UPEN)

Meetings: Twice a year

iii. State Working Group on Peatlands

Chairperson: State Director of Forestry, Selangor

Members: Selangor Economic Planning Unit, Forest Research Institute Malaysia, Selangor Department of Irrigation and Drainage, Selangor Department of Environment, Selangor Department of Wildlife and National Parks, Selangor Department of Agriculture, Selangor Town and Country Planning Department, Selangor Fire and Rescue Department, Kuala Selangor District Land Office, Kuala Selangor District Council, Global Environment Centre (GEC), Selangor Agricultural Development Board (PKPS), Kumpulan Darul Ehsan Bhd (KDEB)

Secretariat: State Forestry Department, Selangor

Meetings: Four times a year

The proposed structure for implementation at Selangor's pilot site is indicated below; a State Committee to be chaired by the State Secretary of Selangor with the Secretariat being at State Economic Planning Unit (UPEN) has been established to oversee peatland management in the state of Selangor.

Table 4: Proposed Structure for Project Implementation at Pilot Site

	Secretariat	Members
State Committee on Peatlands	EPU (chaired by State Secretary)	
State Working Group on Peatlands (inter-agency)	SFD (overall secretariat) DoA FRIM DID DOE TCPD FRD	Involving relevant stakeholders

Annex 1D. Philippines Component

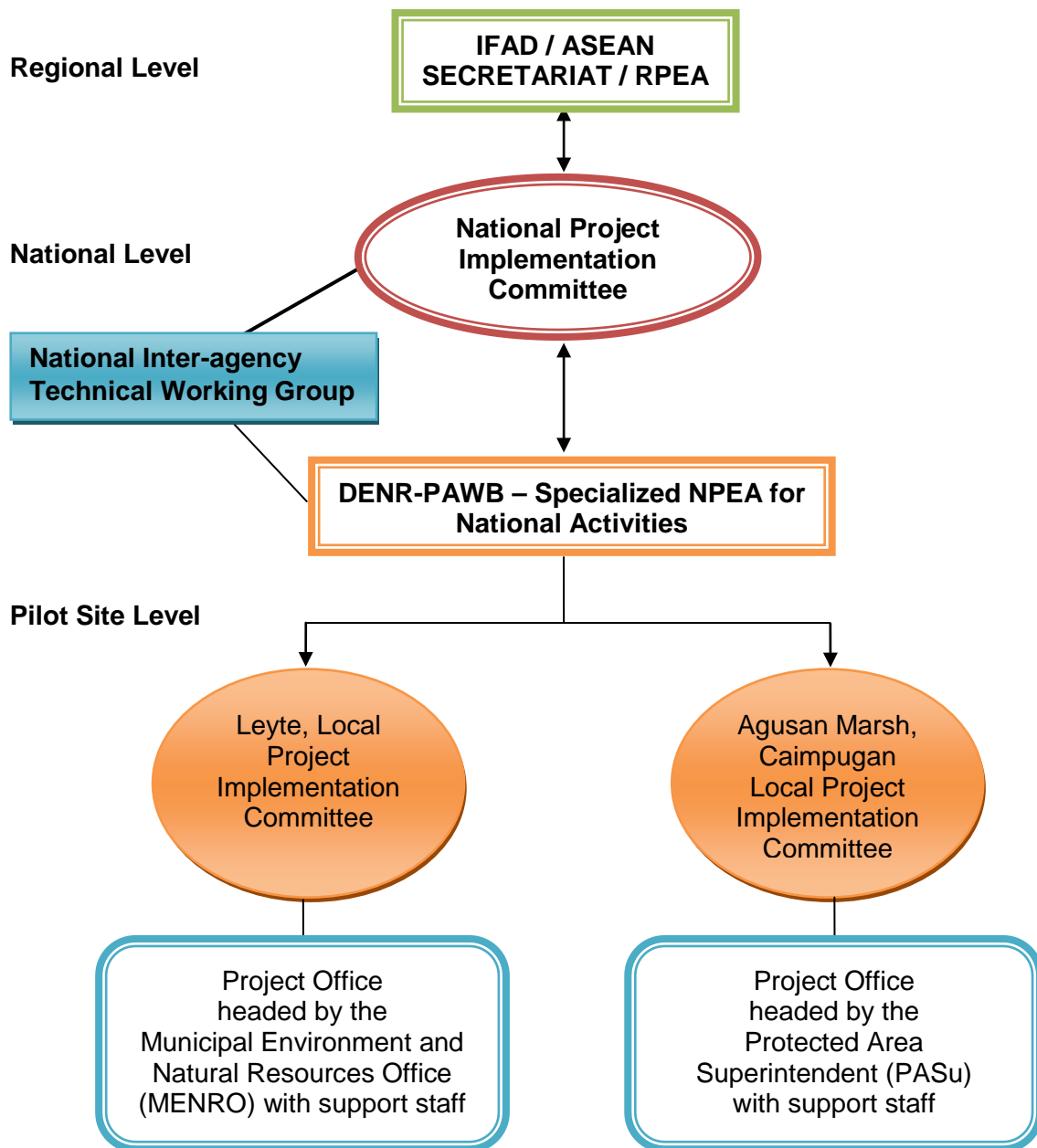


Figure 6: Proposed Management Framework for the Philippines Component

i. National Project Implementation Committee (NPIC)

Chair: APMI National Focal Point

Members: Director of Foreign Assisted and Special Project Office (FASPO), Director of Protected Areas and Wildlife Bureau (PAWB), Director of Forest Management Bureau (FMB), Director of Ecosystems Research and Development Bureau (ERDB), Director of Bureau of Soils and Water Management (BSWM-DA), Director of Bureau of Fire Protection

Secretariat: DENR-PAWB (Country Coordinator)

ii. National Inter-Agency Working Group on Peatlands

Co-Chairs: DENR - PAWB and DA-BSWM

Members: FMB, FASPO, ERDB, Environmental Management Bureau (EMB), DILG-Bureau of Fire Protection (BFP), DILG - Bureau of Local Government, National Economic Development Authority (NEDA) Agriculture Staff, National Irrigation and Administration, National Water Resources Board, National Museum of the Philippines, Department of Science and Technology, Department of Agrarian Reform, Bureau of Fisheries and Aquatic Resources, National Commission on Indigenous Peoples, Philippine National Police + concerned members of NGOs and Academe.

Roles and functions:

- Reviews and recommends policies, legislative, administrative and institutional measures and issuances relative to sustainable peatland management.
- Recommends appropriate and sustainable use strategies to effectively implement the National Action Plan on Peatlands for the Philippines and this Project.

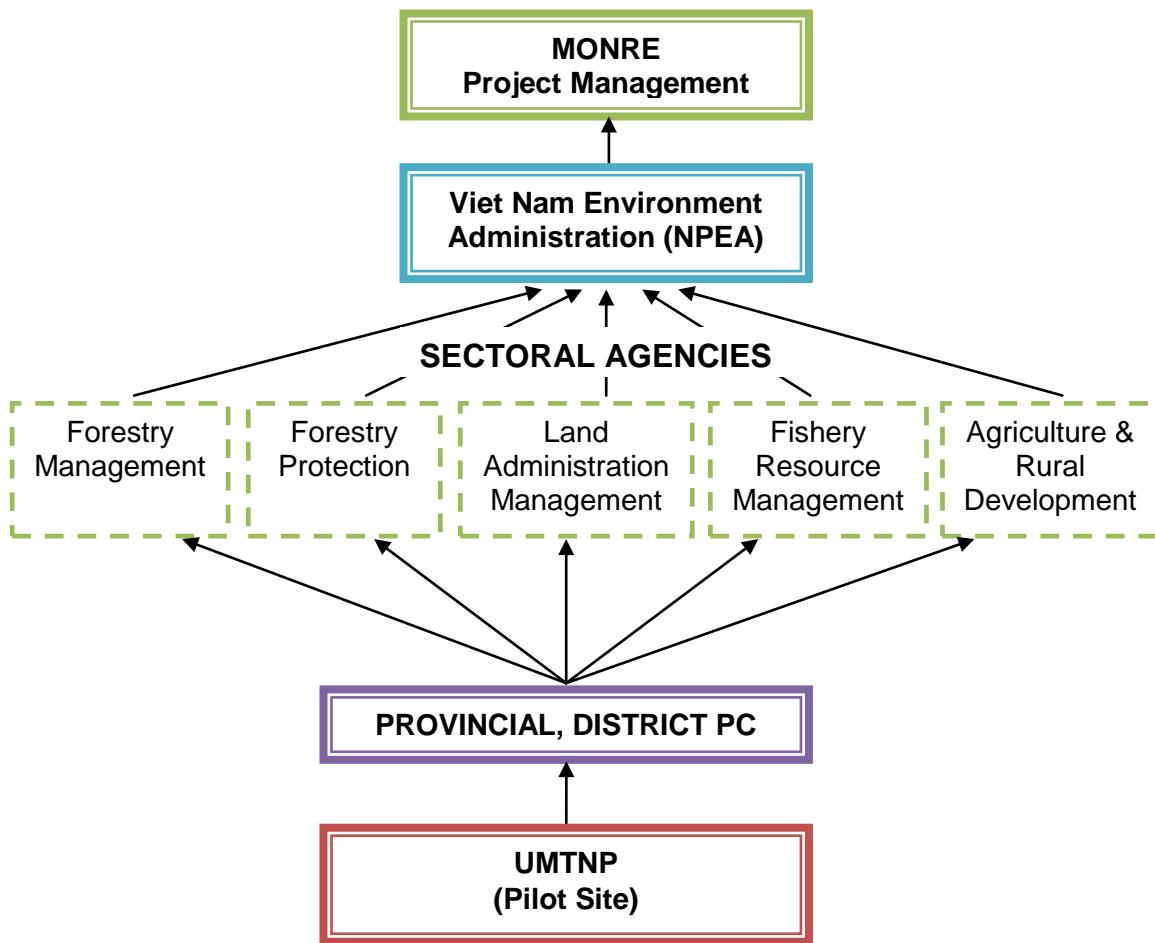
Annex 1E. Viet Nam

Figure 7: Proposed Structure for Project Implementation in Viet Nam

Annex 2

Annual Work Plan and Budget (AWPB)

Annex 2A. AWPB Part 1

Rehabilitation and Sustainable Use of Peatland Forests in South East Asia

ASEAN/ IFAD/ GEF

[Regional/Country] Component

Annual Work Plan and Budget – [Year]

PART I

Country:	
Project Title:	<i>Rehabilitation and Sustainable Use of Peatland Forests in South East Asia</i>
Project Number:	<i>GEF 2751</i>
Financial year:	<i>Indicate financial/ fiscal year for the proposed budget</i>
Planning period:	<i>Indicate which period is covered by the proposed AWPB (e.g. Jan-Dec 2010)</i>
Year of implementation	<i>Situate proposed planning period within the overall project duration (e.g. Year 3)</i>
Total component budget (in USD):	
Total expenditures to date (in USD):	
Date of project effectiveness:	<i>28 July 2009</i>
Date of project start:	<i>Indicate date of actual start of project implementation¹</i>
Project duration:	<i>Indicate number of years for total project duration</i>
Date of project closing:	<i>Indicate estimated year of project closing</i>
Date of latest Logframe revision	<i>Indicate date of latest approved Logframe revision</i>

¹ e.g. official date when the Inception Meeting was held or first field activities implemented

A. Background

[This Chapter summarizes the most important external developments with a probable impact of project implementation that are to be expected over the CAWPB period. In particular, this Chapter identifies whether any Logframe assumption is unlikely to hold true.]

The following elements may be discussed, if relevant:

- **Government policies:** *Indicate any upcoming change or new policies that will become effective over the CAWPB period and how they may impact on project implementation. Briefly explain the measures planned to mitigate potential negative effects or to take advantage of potential opportunities.*
- **Implementation arrangements:** *Discuss major changes in initial implementation arrangements or National Project Executing Agency (NPEA) staffing situation that is expected to take place over the next CAWPB period.*
- **Local factors/ context:** *Discuss major changes in the local factors/ context with a probable impact on the sustainability of the project (e.g. persistent droughts in target area, natural disasters etc). Briefly explain the measures planned to mitigate potential negative effects or to take advantage of potential opportunities.*

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

[While the detailed achievements of previous CAWPB period should be detailed in the Semi-Annual Progress Reports, this Chapter provides a very rapid overview of the status of implementation of the various Logframe Components, as a basis to then justify the choice of objectives and implementation focus for the new CAWPB period. This is done by filling the table below and providing some further textual information.]

[Please note that this section will not need to be completed for the 1st CAWPB - 2010]

Table 1 - Summary of main achievements to date

Components	% of achievement to date (estimation)	Focus for new CAWPB period? (Yes/No)
Component 1		
Component 2		
Component 3		
Etc		

- **Changes in objectives/ project design:** *Indicate whether there are any substantial changes in objectives for the remaining implementation period following a revision of the project Logframe during the last CAWPB period.*
Note: If the Project Logframe has been revised and duly approved, it should be annexed.
- **Changes in implementation strategy/ arrangements:** *Briefly indicate any changes in the project implementation strategy/ arrangements as compared to previous year(s). Justify why these changes were required and present what are the expected benefits of this change in strategy.*

C. Costs and financing

[This Chapter discusses issues related to project implementation costs and financing.]

[Please note that this section will not need to be completed for the 1st CAWPB - 2010]

- **Costs:** Highlight any major changes in unit costs due to inflation/ deflation or changes in design compared to previous years and their probable impact on project budget. Indicate the manner in which these changes are being dealt with in the proposed budget (e.g. budget re-allocation).
- **Financing:** Indicate foreseeable issues related to the flow of funds, to the timeliness of budget approval and funds availability and to disbursement procedures. Suggest measures to overcome these constraints.

D. Annual Procurement

[While a detailed Annual Procurement Plan should be annexed, this Chapter presents any major changes in the overall Procurement Plan, together with justification, and highlights any difficulty that might be anticipated in the area of procurement based on previous experience and identifies mitigating measures.]

[Please note that this section will not need to be completed for the 1st CAWPB - 2010]

- **Procurement Plan:** Highlight any major changes in procurement as compared to the overall, agreed Procurement Plan and provide justifications for these changes.
- **Procurement process:** Indicate foreseeable issues related to overly complex procurement methods or delays in tendering and related decision-making processes. Suggest measures to mitigate these constraints.

Annex 2B. AWPB Part 2 (Worksheet 1)

Activities	Yr1	Yr2	Yr3	Yr4	Indicator	Target (Yr1)	Timeline (Yr1)				GEF total (USD)	GEF budget 2010	GEF budget spent	% spent GEF	Budget Notes	Accounting Category							Total
							Q1	Q2	Q3	Q4						A	B	C	D	E	F	G	
COMPONENT SUB-OUTCOME 1																							
Output 1.1																							
Output 1.2																							
Output 1.3																							
Output 1.4																							
Sub-total Sub-outcome 1																							
COMPONENT SUB-OUTCOME 2																							
Output 2.1																							
Output 2.2																							
Output 2.3																							
Output 2.4																							
Sub-total Sub-outcome 2																							
COMPONENT SUB-OUTCOME 3																							
Output 3.1																							
Sub-total Sub-outcome 3																							
COMPONENT SUB-OUTCOME 4: Plantation sector actively contributing to peatland management																							
Output 4.1																							

Sub-total Sub-outcome 4																				
Total Sub-outcome																				
SUB-OUTCOME 5: PROJECT MANAGEMENT																				
Outcome 5.1																				
TOTAL PROJECT COSTS																				

Annex 2C. AWPB Part 2 (Worksheet 2) – Component Annual Budget by Accounting Category

ACCOUNTING CATEGORY	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5	TOTAL
A. Community-based Services ¹						
B. Equipment ²						
C. Technical Support/ Studies ^{3 & 4}						
D. Training/ Workshops/ Awareness/Publications ⁵						
E. Staff Salaries and Allowances ⁶						
F. Operations and Maintenance ⁷						
G. Travel and Subsistence for Management ⁸						
Grand Total						

Please refer to Section 6.6.1 for description of the accounting categories.

Outcomes

I. Capacity Building for Sustainable Peatland Management
II. Reduction of Peatland Degradation
III. Integrated Management and Rehabilitation of Peatlands
IV. Multi-stakeholder partnerships
V. Project Management

Annex 2D. AWPB Part 2 (Worksheet 3) – Component Budget, Budget Spent and Balance by Project Outcome

Outcomes		Approved GEF Budget	Cumulative Budget Spent to Date	Balance Budget	New Annual Budget Request
I.	Capacity Building for Sustainable Peatland Management				
II.	Reduction of Peatland Degradation				
III.	Integrated Management and Rehabilitation of Peatlands				
IV.	Multi-stakeholder partnerships				
V.	Project Management				
TOTAL					

Annex 3

An example of the Logical Framework Tracking Tool for Project Monitoring and Evaluation (Overall Project Monitoring)

				Achievements to [date]				
Outcomes and Outputs	Objectively Verifiable Indicators			Regional	Indonesia	Malaysia	Philippines	Viet Nam
	Indicators	Baseline	Target					
OVERALL PROJECT OUTCOME 1: Capacity and institutional framework for sustainable peatland management in South East Asia strengthened.								
OUTPUT 1.1 Inter-sectoral policy and planning frameworks for integrated peatland management strengthened at regional, national and local levels	ASEAN Peatland Management Strategy	Not updated	Reviewed and revised in Y4					
	Regional Action Plan on Peatland Management	Not developed as a separate plan	Countries commit to implementation of RAP in Y1					
	National Action Plans on Peatland Management adopted	National action plans yet to be adopted	National Action Plans for 4 participating countries adopted and implementation initiated by Y1 and revised by Y4					
	Inclusion of peatland in sectoral policies in Indonesia and Viet Nam	Limited information inclusion	Peatland included in other policy frameworks in Indonesia and Viet Nam by Y3					
	Malaysian wetland policy	Policy not revised	Revised policy incorporating peatlands					

			adopted in Y3					
	Malaysian wetland policy	Policy not revised	Revised policy incorporating peatlands adopted in Y3					
	Incorporation of peatland management into policies and plans related to forest and land-related resources to mainstream peatlands into the appropriate ministries	Limited	Peatland issues addressed in Msia (National Forestry Council), Presidential Decree in Indonesia					
OUTPUT 1.2 Capacity for peatland management strengthened through training and awareness programmes to support the upscaling of good peatland management practices	No. of govt agencies with trained personnel on peatland management	Limited	60% of related agencies with at least 4 staff with training on peatlands by Y4					
	Regularity of meetings of peatland working groups in participating countries	Limited	At least one meeting per year of working groups in each country					
	Awareness materials produced and disseminated in the region	To be determined at project start-up	At least 15 separate materials in 4 languages by Y3					
	Media coverage on sustainable peatland management	Limited	Sustainable peatland management acknowledged as important issue by national and local media through print and electronic media by Y2					
	Peatland Education and Management	None	Centre established and being used by external					

	Centre in North Selangor		groups by Y4					
	Capacity building activities using project materials	None	At least 15 separate activities by third parties in 4 countries using project training and awareness materials					
	Lessons learned from other nat/ local sites	Limited	Lessons learned from other nat/ local sites documented to upscale learnings to a wider network					
OUTPUT 1.3 Innovative financial mechanisms to support sustainable peatland management and rehabilitation established	Regional multi-donor trust fund	Not existing	Established by Y1 and receiving contributions from governments and donors by Y3					
	Innovative finance mechanisms for peatland management	Not established	At least two Innovative finance mechanisms established in participating countries by Y4					
	Levels of funds and resources available for peatland management	Limited	Significant increase in allocation by participating countries of funds for peatland management by Y4					

Annex 4

Contents for the Semi-Annual Progress Report

- 1. Summary**
- 2. Brief Component Description**
- 3. Summary of Activities During Reporting Period (including outputs produced)**
- 4. Achievements/ Progress Against Plan/ Target (include status of the outcome and logical framework tracking tool to report on progress against indicators)**
- 5. Financial Report**
- 6. Project Issues/ Constraints and Proposed Actions To Address Them**
- 7. Main targets During Next Reporting Period**

Annex 5

Monitoring and Evaluation Check List

National M & E Activities (under NPEAs)		
Ref	M&E Activities	Check
	Technical and financial reporting requirements as specified in the Project Document	
1a.	First Quarterly Financial Report	
1b.	Second Quarterly Financial Report and First Semi-Annual Progress Report	
1c.	Third Quarterly Financial Report	
1d.	Fourth Quarterly Financial Report and Second Semi-Annual Progress Report	
	National project management mechanisms, including meetings of the National Project Management Committees, National Project Advisory Groups, expert groups, etc. This should also include any internal NPEA procedures for project supervision	
	Financial auditing requirements	
	Establishment of baseline values for indicators in the National Project Logical Framework	
	Inception Workshops in Year 1, which will confirm “benchmarks” (targeted results) for Phase 1	

Regional M & E Activities (under RPEA/ ASEAN Secretariat)		
Ref	M&E Activities	Check
	Technical and financial reporting requirements as specified in the Project Document	
10a.	First Quarterly Financial Report	
10b.	Second Quarterly Financial Report	
10c.	Third Quarterly Financial Report	
10d.	Fourth Quarterly Report and First Annual Progress Report	
	Financial auditing requirements	
	Ongoing monitoring of project progress in relation to relevant Logical Framework Indicators by RPEA	
	Review of project progress in relation to relevant Logical Framework Indicators by RPEA at Project Steering Committee Meetings	
	Annual administrative review of the Project by the Project Manager	
	Annual technical review of regional activities by the Project Director/ Project Manager	

Annex 6

ASEC Forms

Annex 6A. Withdrawal Application for ASEC

(ASEC's letterhead)

International Fund for Agricultural Development (IFAD)
Via Paolo di Dono, 44
00142 Rome, Italy

Attention: Financial Services Division
Copy to: IFAD/GEF Unit

WITHDRAWAL APPLICATION

Ref: Grant No GEF FSP-7-ASEAN
Rehabilitation and Sustainable use of Peatland Forests in Southeast Asia

1. Application No. x/2010
2. Please pay US\$ (USD.....).
3. This instalment is related to the attached programme of work and budget for the period from 1 January 20xx to 31 December 20xx .
4. We hereby apply for this withdrawal from the Grant Account, and hereby certify and agree as follows:

(a) The goods and services covered by this application are required and will be used exclusively for the purposes of the Programme described in the Grant Agreement dated 24 February 2009.
5. Please make payment to the bank account indicated in our Bank Account Certification Form.

Recipient:

Authorized Signature: _____
Name and Title:
Date:

Annex 6B. Authorization Form for ASEC

AUTHORIZATION FORM

International Fund for Agricultural Development (IFAD)
Via Paolo di Dono, 44
00142 Rome, Italy

Attention: Financial Services Division

Dear Sirs,

Ref: Grant Sub-Agreement No. GEF-FSP-7-ASEAN

(Rehabilitation and Sustainable Use of Peatland Forests in Southeast Asia)

With reference to Section 2.2(b) of the Grant Agreement dated 24 February 2009, the following person(s) whose specimen signature(s) appear(s) below is/are authorized to sign applications for withdrawal under this Grant Sub-Agreement.

1.	_____	_____
	Name and Title	Specimen Signature
2.	_____	_____
	Name and Title	Specimen Signature

All previous notices providing signatures of officials authorized to sign application for withdrawal under this Grant Sub-Agreement are hereby revoked.

Yours sincerely,

(Authorized Representative)

Dated: _____

Annex 6C. Banking Details Form for ASEC

NAME OF ACCOUNT:

ACCOUNT NO:

NAME AND ADDRESS OF BANK:

BANKING CODE *(Complete whichever code is appropriate)*

SWIFT CODE:

BIC No:

IBAN No:

NAME OF SIGNATORIES:

CONDITIONS OF SIGNATURE (IF ANY)

(for e.g. details on multiple signatories, any limits of amounts to be authorized etc)

CONFIRMATION

I hereby certify that the above provides the current banking details for the ASEAN Secretariat for the Project Rehabilitation and Sustainable use of Peatland Forests in S E Asia. All previous notices providing bank details under this Grant Agreement are hereby revoked.

Yours sincerely,

(Authorized Representative)

Date: _____

Annex 6D. Statement of Expenditure

Sample Statement of Expenditure

Name of Recipient: ASEAN Secretariat

Grant No: GEF FSP-7-ASEAN

Name of Programme: Rehabilitation and Sustainable Use of Peatland Forests in South-East Asia

Expenditure category	Overall budget	Cumulative expenditure to end of previous reporting period	Current Period expenditure*	Cumulative expenditure to date	Balance available for future periods
I Capacity Building					
II Reduction in peatland degradation					
III Management and rehabilitation					
IV Partnerships					
V Project Management					
Total					

Item	For Current period	Cumulative period to date
Advance amount		
Expenditure		
Balance		
Percentage of advance expended		

We hereby confirm that the above amounts are done on an actual basis, and that they have been paid for the proper execution of the Project in accordance with the terms and conditions of the Grant Sub-Agreement in respect of the Project in reference and with the principle of sound financial management. All documentation authenticating these expenditures will be maintained by the Project Party in accordance with its document retention policy for not less than five (5) years after the last financial transaction between the Fund and the Recipient herein in relation to the Grant Agreement (Annex 1).

Prepared by:

Name and Title:

Date:

Approved by: _____

Name and Title: _____

Date: _____

*** See attached more detailed statement**

Annex 7

Project Party Forms

Annex 7A. Withdrawal Request Form for Project Parties

(to be printed on organization's letterhead)

Dr Raman Letchumanan
Head, Environment Division
The ASEAN Secretariat
70A, Jalan Sisingamangaraja
Jakarta 12110, Indonesia

Attention: Environment Division

WITHDRAWAL REQUEST

Ref: Grant No GEF-FSP- 7 ASEAN [add country name]

Rehabilitation and Sustainable use of Peatland Forests in Southeast Asia – [add country name] Component

1. Application No. 1/2010
2. Please pay US\$ (USD.....).
3. This installment is related to the attached programme of work and budget for the period from 1 January 2010 to 31 December 2010 and for the preparation/inception period from *[to complete if required – only covering eligible expenditure in 2009 after the date of signature of the country agreement]*
4. We hereby apply for this withdrawal from the Grant Account, and hereby certify and agree as follows:
 - (a) The goods and services covered by this application are required and will be used exclusively for the purposes of the Programme described in the Grant sub-Agreement dated *[Complete]*.
5. Please make payment to the bank account as stated below:
[add bank account and details – this should be the same as stated in the Bank Account Certification Form – to be submitted by each country]

Project Party:

Authorized Signature: _____

Name and Title:

Date:

Annex 7B. Authorization Form for Project Parties

AUTHORIZATION FORM

Dr Raman Letchumanan
Head, Environment Division
The ASEAN Secretariat
70A, Jalan Sisingamangaraja
Jakarta 12110, Indonesia

Dear Sirs,

Ref: Grant Sub-Agreement No. FSP-7-ASEAN (Country)

(Rehabilitation and Sustainable Use of Peatland Forests in Southeast Asia)

With reference to Section 2.3 of the Grant Sub-Agreement dated _____, the following person(s) whose specimen signature(s) appear(s) below is/are authorized to sign applications for withdrawal under this Grant Sub-Agreement.

- | | | |
|----|----------------|--------------------|
| 1. | _____ | _____ |
| | Name and Title | Specimen Signature |
| 2. | _____ | _____ |
| | Name and Title | Specimen Signature |

All previous notices providing signatures of officials authorized to sign application for withdrawal under this Grant Sub-Agreement are hereby revoked.

Yours sincerely,

(Authorized Representative)

Dated: _____

Annex 7C. Banking Details Form for Project Parties

COUNTRY

NAME OF ACCOUNT:

ACCOUNT NO:

NAME AND ADDRESS OF BANK:

BANKING CODE *(Complete whichever code is appropriate)*

SWIFT CODE:

BIC No:

IBAN No:

NAME OF SIGNATORIES

CONDITIONS OF SIGNATURE (IF ANY)

(for e.g. details on multiple signatories, any limits of amounts to be authorized etc)

CONFIRMATION

I hereby certify that the above provides the current banking details for the *[country]* Component of the Project Rehabilitation and Sustainable use of Peatland Forests in S E Asia. All previous notices providing bank details under this Grant Sub-Agreement are hereby revoked.

Yours sincerely,

(Authorized Representative)

Date: _____

Annex 7D. Statement of Expenditures for Project Parties

Name of Recipient: ASEAN Secretariat

Name of the Project Party:

Grant No: GEF FSP-7-ASEAN (Country)

Name of Programme: Rehabilitation and Sustainable Use of Peatland Forests in South-East Asia

Expenditure category	Overall budget	Cumulative expenditure to end of previous reporting period	Current Period expenditure	Cumulative expenditure to date	Balance available for future periods
I Capacity Building					
II Reduction in peatland degradation					
III Management and rehabilitation					
IV Partnerships					
V Project Management					
Total					

Item	For Current period	Cumulative period to date
Advance amount		
Expenditure		
Balance		
Percentage of advance expended		

We hereby confirm that the above amounts are done on an actual basis, and that they have been paid for the proper execution of the Project in accordance with the terms and conditions of the Grant Sub-Agreement in respect of the Project in reference and with the principle of sound financial management. All documentation authenticating these expenditures will be maintained by the Project Party in accordance with its document retention policy for not less than five (5) years after the last financial transaction between the Fund and the Recipient herein in relation to the Grant Agreement (Annex 1).

Prepared by:

Approved by: _____

Name and Title:

Name and Title: _____

Date:

Date: _____

*** See attached more detailed statement**

Annex 8**Asset Register Form**

Rehabilitation and Sustainable Use of Peatland Forests in South East Asia

Country: _____

Ref	Output	Accounting Category	Date Purchased	Suppliers Name	Description	Location of equipment	Serial No	Amt in local currency	Notes (eg condition of asset)
					Total				

Signed by: _____

Verified by: _____

Annex 9

Financial Reporting Forms

Worksheet 1 – Summary Expenditure by Output/ Outcome

By Outcome	Outcome 1																								
By Output	Output 1.1					Output 1.2					Output 1.3					Output 1.4					TOTAL				
By Accounting Category	A	B	C	D	E	A	B	C	D	E	A	B	C	D	E	A	B	C	D	E	A	B	C	D	E
A.Community Based Services																									
B. Equipment																									
C.Technical Support Studies																									
D. Training/ Workshops/ Awareness/Publications																									
E. Staff salaries and allowances																									
F. Operation and maintenance																									
G. Travel and subsistence																									
TOTAL																									

Accounting Categories

A: Annual Budget 2010
 B: Previous Period Jan-Jul 2010
 C: Current Jul-Dec 2010
 D(=B+C): Cumulative Expenditure
 E(=A+D): Balance Budget

Worksheet 2 – Sample Format for Detailed Expenditure According to Outputs

Sample Format only

Project: Rehabilitation and Sustainable Use of Peatland Forests in South East Asia

Country:

Year:

Annual Budget for Output 1.1

Expenditure Report:

Responsible Agency:

Exchange Rate used: 1 USD = RM 3.30

Ref #	Date	Accounting Code	Amount RM	Amount USD	Responsible Agency	Description	Notes/ Remarks
		A. Community Based Services		0			
vch A1		canal blocking	10,000	3,030	company A	pyt for construction	
		Sub Total A	10,000	3,030			
		B. Equipment		0			
vch B 9		computer	2,000	606	company x	purchase of computer	
		Sub Total B	2,000	606			
vch C12		C.Technical Support Studies	5,000	1,515	person a	consultancy pyt-assessment of peat	

		Sub Total C	5,000	1,515			
		D. Training/ Workshops/ Awareness/Publications		0			
vchD15		Workshop on peat fires	10,000	3,030	A	workshop expenses held in hotel B	
		Sub Total D	10,000	3,030			
		E. Staff salaries and allowances		0			
		Sub Total E	0	0			
		F. Operation and maintenance		0			
		Sub Total F	0	0			
		G. Travel and subsistence		0			
		Sub Total G	0	0			
		GRAND TOTAL	27,000	8,182			

Sample Format only

Project: Rehabilitation and Sustainable Use of Peatland Forests in South East Asia

Country:

Year:

Annual Budget for Output 1.2

Expenditure Report:

Responsible Agency:

Exchange Rate used: 1 USD = RM 3.30

Ref #	Date	Accounting Code	Amount RM	Amount USD	Responsible Agency	Description	Notes/ Remarks
		A. Community Based Services		0			
vch A1		canal blocking	10,000	3,030	company A	pyt for construction	
		Sub Total A	10,000	3,030			
		B. Equipment		0			
vch B 9		computer	2,000	606	company x	purchase of computer	
		Sub Total B	2,000	606			
vch C12		C.Technical Support Studies	5,000	1,515	person a	consultancy pyt-assessment of peat	
		Sub Total C	5,000	1,515			

		D. Training/ Workshops/ Awareness/Publications		0			
vchD15		Workshop on peat fires	10,000	3,030	A	workshop expenses held in hotel B	
		Sub Total D	10,000	3,030			
		E. Staff salaries and allowances		0			
		Sub Total E	0	0			
		F. Operation and maintenance		0			
		Sub Total F	0	0			
		G. Travel and subsistence		0			
		Sub Total G	0	0			
		GRAND TOTAL	27,000	8,182			

Annex 10

Draft Daily Subsistence Allowance for National and Regional Rates as discussed at the Project Inception Meeting November 2009

1. Per diem Rates for official Travel at Country level

Each country to follow existing national schemes for per diem for government work which are currently estimated as follows (subject to confirmation in relation to official circulars etc):

- **Philippines:** Foreign assisted project budget Actual travel costs plus Peso 1500(USD 30) per diem for food/ accommodation etc
- **Indonesia:** transport plus hotel Per diem 350-400,000 Rupiah (USD35-40)
- **Malaysia:** Transport cost plus Hotel cost (up to RM160 hotel maximum/ night) plus RM45 for food
- **Vietnam:** hotel plus transport plus USD30 per day for food/ incidentals.

2. Per diem rates for Official Project Travel in ASEAN Region

- **Management/ Planning Meetings:** ASEC to pay hotel plus food (coffee break, lunch/ breakfast plus transport by economy rate. In addition USD40-50/ day.
- **Training courses:** Provide full transport accommodation and meals plus DSA USD20.
- **Monitoring missions/expert visits:** Airfare, airport tax and travel to/from airport plus \$100/ day (for areas outside of capitals in ASEAN) for hotel, subsistence/ incidentals (DSA) and local transport **Or** (for capitals in ASEAN – Airfare, airport tax and travel to/from airport and hotel cost plus USD50/ day for subsistence/ incidentals, local transport.

Annex 11

Schedule 5 of the Grant Sub-Agreement

Procurement

PART A. GENERAL

1. Procurement of goods, works and consulting services financed by the Grant shall be subject to the provisions of the procurement regulations of the Recipient, and Project Parties, as applicable to the extent consistent with the Fund's Procurement Guidelines approved by the Executive Board in December 2004 (the "Procurement Guidelines") as such guidelines may be amended from time to time by the Fund. If any provision of the Recipient's and Project Parties, procurement regulations is inconsistent with a provision of this Schedule, then the latter shall govern.
2. Before the commencement of procurement and annually thereafter, the Project Party shall furnish to the ASEAN Secretariat for approval, a Country Procurement Plan according to provisions described in Appendix 1, paragraph 1 of the Procurement Guidelines by the Fund. The Procurement Plan shall specify, *inter alia*, the method of procurement for each contract to be financed from, and thresholds, ceilings and preferences to be utilized in the implementation of procurement under the Country Component; the Country Procurement Plan shall also specify any additional requirements as may be set out in the Procurement Guidelines with respect to certain methods of procurement.
3. In the event of mis-procurement of goods and/ or works, the Project Party shall assume full responsibility for this and shall refund the same amount from their own resources and/ or any other resources.

PART B. PROCUREMENT OF GOODS AND WORKS

4. The methods which are permitted for the procurement of goods and works are the following:
 - (i) National Competitive Bidding;
 - (ii) National Shopping;
 - (iii) Direct Contracting;
 - (iv) Work by Force Account;
 - (v) Procurement with Community Participation.
5. Procurement with community participation shall be carried out in accordance with procedures acceptable to the ASEAN Secretariat and specified in the Country Procurement Plan.

PART C. PROCUREMENT OF CONSULTING SERVICES

6. The methods which are permitted for the procurement of consulting services are the following:
 - (a) Quality and Cost-Based Selection;
 - (b) Quality Based Selection;
 - (c) Selection under a Fixed Budget;
 - (d) Selection Based on Consultants' Qualifications;
 - (e) Least Cost Selection;
 - (f) Single-Source Selection;

(g) Selection of Individual Consultants.

PART D. PREFERENCE REQUIREMENTS

7. In the procurement of goods and works from the proceeds of the Grant the country of the Project Parties may be granted a margin of preference as provided in Paragraphs 55-59 (Domestic Preference) of the Procurement Guidelines. The Procurement Plan and all bidding documents shall clearly indicate the permitted preference to be granted, the manner in which the preference shall be applied in bid comparison and the information required to establish the eligibility of a bidder for such preference. The nationality of the manufacturer or supplier shall not be a condition for such eligibility.

PART E. REVIEW OF PROCUREMENT DECISIONS

8. The award of any contract for goods or works estimated to cost USD30,000 equivalent or more shall be subject to prior review by the ASEAN Secretariat. The aforementioned threshold may be modified from time to time as notified by the ASEAN Secretariat to the Project Party.
9. The award of any contract for consulting services estimated to cost USD20,000 equivalent or more shall be subject to prior review by the ASEAN Secretariat. The aforementioned threshold may be modified from time to time as notified by the ASEAN Secretariat to the Project Party.
10. All bidding documents and contracts for provision of goods, works and services financed by the Grant shall include provisions requiring bidders, suppliers, contractors, sub-contractors and consultants to:
 - (a) allow full inspection by the ASEAN Secretariat of all bid documentation and related records;
 - (b) maintain all documents and records related to the bid or contract for three years after completion of the bid or contract; and
 - (c) co-operate with agents of representatives of the ASEAN Secretariat carrying out an audit or investigation.

Annex 12

Status Report for Co-funding

Title of Project:	Rehabilitation and Sustainable Use of Peatland Forests in South East Asia		
Name of Project party:	"Name of National Executing Agency and country"		
Co-funding Report period			
Source of Co-financing	Co-financing estimate for [year] (Y1, Y2...)	Co-financing received for [year] (Y1, Y2...)	Remarks (e.g. in cash/ in kind, for specific activities/ general)
Co-funding as mentioned in original proposal			
Co-funder 1			
Co-funder 2			
Co-funder 3			
etc			
Additional New Sources of Co-financing (after project start)			