

Report of the 4th APFP Project Steering Committee Meeting 8 November 2012, Pontianak, Indonesia

INTRODUCTION

1. The 4th ASEAN Peatland Forests Project (APFP) Project Steering Committee Meeting (PSC) was held on 8 November 2012 in Pontianak, Indonesia. The Meeting was attended by representatives from Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand, Viet Nam, the ASEAN Secretariat, and the Global Environment Centre (GEC) as the Regional Project Executing Agency (RPEA). The List of Participants is in **ANNEX 1**.

AGENDA ITEM 1: WELCOME REMARKS BY PROJECT DIRECTOR

2. The Meeting was chaired by Dr. Raman Letchumanan, the Head of Environment Division of ASEAN Secretariat and also the Project Director.

3. Dr. Raman Letchumanan highlighted that the project extension recently approved by IFAD will give opportunity to plan the activities in the remaining period of the project, in an effective manner. Dr. Letchumanan expressed thanks to all parties involved for the progress achieved thus far, and emphasized that APFP is a very unique multi-country project, that is rarely done in other regions.

AGENDA ITEM 2: REMARKS BY IFAD

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

AGENDA ITEM 3: REMARKS BY THE GOVERNOR OF WEST KALIMANTAN PROVINCE

5. The representative of the Governor of West Kalimantan Province welcomed all delegates to Pontianak. He delivered the welcome remarks of Mr. Cornelis, the Honorable Governor of West Kalimantan Province. The Governor in his remarks highlighted that about 1.7 million ha or 11.58% of the total land area in West Kalimantan is peatlands. The Governor expressed gratitude and high appreciation to the central government through the Ministry of Environment, Indonesia and the ASEAN Peatland Forests Project who have supported and collaborated with various

stakeholders in West Kalimantan Province to develop the “Masterplan for Sustainable Peatland Management in West Kalimantan Province”. The Masterplan will be the guideline in all program planning and development activities related to peatlands. The Governor further wished the meeting a success and all delegates an enjoyable stay in Pontianak.

AGENDA ITEM 4: OPENING REMARKS BY MINISTRY OF ENVIRONMENT, INDONESIA

6. Mr. Hermono Sigit, Assistant to the Deputy Minister for Degradation Control of Terrestrial Ecosystems, Ministry of Environment, and National Coordinator of Indonesia Component welcomed all delegates to the Meeting. He looked forward to a fruitful meeting and discussions on the best strategies to plan the project activities, especially in the pilot sites in Indonesia, for the remaining period of the project. He also wished that delegates from outside Indonesia could learn more about the best management practices in peatlands, particularly in West Kalimantan, during the field visit.

AGENDA ITEM 5: CONFIRMATION OF THE AGENDA

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

AGENDA ITEM 6: MATTERS ARISING FROM 3rd PSC MEETING

8. The Meeting reviewed the matters arising from the Third Project Steering Committee Meeting (PSC3) held in November 2012 in Vietnam, and noted the progress made. The progress on action from the PSC3 is in **ANNEX 3**.

9. With regard to Myanmar’s interest to join the APFP, the Meeting noted that the GEF Secretariat confirmed that Myanmar could not join the current project at this stage; however the option of a new separate project is open. The Meeting also noted that IFAD had indicated it was unable to facilitate a separate project as it will only initiate a programme in Myanmar after 2014. The Meeting further noted that Myanmar has allocated all the country allocation of GEF to other activities mainly UNDP programme. In this regard, the Meeting agreed that the Project will keep Myanmar engaged in the activities under the Regional Component.

10. With regard to the project portal (www.aseanpeat.net) the Meeting noted that the website is updated regularly, however information from countries is not regularly provided by respective countries. The Meeting noted that GEC and ASEAN Secretariat will work together to ensure that information provided in the website is updated. Respective APFP participating countries are also requested to regularly update the relevant sections in the website.

11. The Meeting recalled that at the last PSC Meeting it was agreed that more efforts will be given in maintaining the portal website, promoting APFP and multi-stakeholders collaboration. Following this, the RPEA has produced various awareness/promotional materials to promote the Project, the website (www.aseanpeat.net) and the various pilot sites. Enhanced media coverage was also facilitated by the RPEA. The Meeting noted that promotion of the Project should be one of the focus of the regional component in the remaining period of the Project.

12. The Meeting noted that a Special Project Management Meeting was held in Malaysia in February 2012 to provide further guidance and training to the finance staff from the Country Components on accounting and audit procedures.

13. The Meeting discussed on the fund reallocation within the country and regional component, and noted that fund reallocation within the 5 sub-outcomes in each component is flexible; however fund reallocation from one sub-outcome to another will require IFAD's approval.

14. The Meeting noted that the ASEAN Secretariat had submitted a letter to IFAD to request for a no-cost extension of the Project at least until the end of 2014. The Meeting further noted that IFAD had replied to confirm its approval for the no-cost extension of the Project up to June 2014 for project implementation, and up to 31 December 2014 for project closure.

15. The Meeting noted that the U Minh Thuong National Park, the pilot site in Viet Nam, has been declared as ASEAN Heritage Park at the 14th Informal ASEAN Ministerial Meeting on Environment in September 2012. The Meeting congratulated Viet Nam for this achievement and encouraged AMS to nominate their national parks as ASEAN Heritage Park.

AGENDA ITEM 7: SUMMARY PRESENTATION ON PROGRESS UPDATES OF APFP AND SEAPEAT PROJECTS (RPEA)

16. The Meeting noted the presentation of the progress of APFP and SEApeat project presented by the RPEA, as in **ANNEX 5**.

17. The Meeting noted that for Indonesia, good progress had been made at National level and in West Kalimantan but that activities in Riau had been delayed.

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

19. The Meeting noted that Philippines conducted its First National Peatlands Summit on 24-26 October 2012, and has developed innovative activities engaging local authorities and local communities to promote awareness on peatlands and peatland conservation in the country.

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

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

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

23. The Meeting noted that in Viet Nam, the "Green Contract" program is being implemented for livelihood development, in which the project provides USD750 for each household in a very poor community living in the buffer zone of the U Minh Thuong National Park through the government, for them to implement one of the offered models, i.e. fruits-vegetables, livestock-crops, melaleuca-fish, etc.

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

25. The Meeting commended the significant progress made by the regional component.

AGENDA ITEM 8: SUMMARY PRESENTATION OF THE 2013 AWPB FOR APFP

26. Indonesia presented the country annual work plan and budget (CAWPB) for 2013 as in **ANNEX 6**. The Meeting noted that in the 2013 CAWPB, Indonesia focused on activities in the field, especially in Central Kalimantan and West Kalimantan provinces. For example, community exchange programme that will bring community in Riau and West Kalimantan to learn about water management in peatlands in Central Kalimantan, which have some BMP sites on water management. The Meeting also noted that best practices in Danau Sentarum, the pilot site in West Kalimantan, will be uploaded in the project website, as an effort to promote Danau Sentarum. IFAD suggested that since water management is key in

peatland management, it is possible to budget for building infrastructure for water management.

27. Malaysia presented the CAWPB for 2013 as in **ANNEX 7**. The Project Director suggested that Malaysia should concentrate on large-scale with high impact activities, such as establishment of weather stations, rehabilitation, buffer zone management etc. IFAD suggested that in the remaining period of the Project, Malaysia could use the opportunity to try different types of dams, in order to learn which one would work best, and could be scaled up in the next phase.

28. Philippines presented the CAWPB for 2013 as in **ANNEX 8**.

29. Viet Nam presented the CAWPB for 2013, as in **ANNEX 9**.

30. RPEA presented the Regional Annual Work Plan and Budget (RAWPB) for 2013 RAWPB, as in **ANNEX 10**.

31. The Project Director informed the Meeting that Malaysia has submitted a proposal on FDRS Enhancement Programme, which include FDRS open source software from the Canadian Forest Service and training for the relevant officers from ASEAN Member States (AMS). Considering its importance and urgency, the ASEAN Secretariat had proposed to use the APFP budget for this activity. The Meeting agreed that each participating country of APFP should support participants from the relevant agencies for this workshop, from their respective own budget. While the software costs will be supported through regional component allocation, the hardware and workshop cost could be funded by Malaysia component. The ASEAN Secretariat, RPEA and Malaysia will further work out the details.

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

AGENDA ITEM 9: APPROVAL OF THE 2013 AWPB FOR APFP

33. The Meeting requested the relevant parties to revise the work plans based on the discussions and to submit to RPEA by 21st November 2012. Subsequently, the ASEAN Secretariat will submit the 2013 Project AWPB to IFAD for approval.

AGENDA ITEM 10: SUMMARY OF 2013 AWPB FOR SEAPEAT

A short summary of the progress of the SEApeat project in 2012 was given by country coordinators with some highlights as the 2013 workplan. GEC will work with the respective countries to finalise the plans before the end of the year.

AGENDA ITEM 11: ISSUES ARISING FROM ROM AND MTR

34. The Meeting noted the initial findings of the Mid-Term Review of the APFP commissioned by IFAD, as in **ANNEX 11**. The MTR Team comprised Mr. Roshan Cooke (IFAD, Coordinator), Mr. Alexander Sayok (team leader), Ms. Wai San Siew (financial), and Mr. Shankar Achutan Kutty (procurement). The overall initial findings based on observations at the sites, documentation provided and interviews with relevant people are as follows:

- Preparedness and readiness – satisfactory (5)
- Attainment of objectives and planned results – moderately satisfactory (4)
- Achievement of outputs and activities – moderately satisfactory (4)
- Stakeholder participation/public awareness – satisfactory (5)
- Implementation approach and adaptive management – moderately satisfactory (4)
- Monitoring and evaluation – satisfactory (5)
- Catalytic role and replication – satisfactory (5)
- Country ownership/driven-ness – satisfactory (5)
- IFAD supervision and backstopping – moderately satisfactory (4)

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

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

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

37. Lessons learnt:

Overall	<ul style="list-style-type: none"> • Sectoral to cooperative/joint approach: The project had enabled the various stakeholders to transform from a sectoral approach to a more structured cooperative/joint approach in solving problems such as fire and water management in peatlands.
Malaysia and Philippines	<ul style="list-style-type: none"> • Involvement of companies • Involvement of public and locals

Viet Nam	<ul style="list-style-type: none"> • Green Contract with Locals
Philippines	<ul style="list-style-type: none"> • Knowledge on peat gained and forest type added to map. • New regulations/Ordinance specifically for peatlands • Improved Agriculture • Closer/ Tighter community participation • Overwhelming support from institutions, NGOs, and top government officers

38. Selected recommendations for each component:

- RPEA: need to visit areas/sites esp. those which have problems at least once a year to ensure smooth running of the project
- Malaysia: money spent to date is 36% because of problems in appointing resource person/consultants, should find some mechanisms which can expedite the process
- Philippines: could incorporate nearby tourism products/potential tourism products with pilot projects to promote community-based eco-and agro-tourism in the area thus enhancing local livelihood
- Indonesia: The component needs to strengthen its administrative and financial management procedures.
- Vietnam: The problems with flow of fund from Ministry of Natural Resources and Environment (MONRE), to the consultants and field sites should be resolved; water hyacinth could cause a navigation problem in the canal if not removed regularly, and thus a hindrance to park management such as fire control. Ways to use the plant for animal feed; mulch for crops, and handicraft and furniture similar to those in Tonle Sap (Cambodia) can be explored. The park could apply for recognition as Ramsar site because it has all the attributes to be one.

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

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

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

development of National Action Plan (NAP) for peatlands, which should have been taken into consideration.

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

On financial management and procurement:

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

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

- Procurement for goods and works above USD100,000 is subject to IFAD prior review regardless of who is undertaking the procurement including country procurement. The ASEAN Secretariat will submit the necessary documentation for IFAD's prior review, ideally together with its recommendation;
- The ASEAN Secretariat is required to provide prior review for procurement undertaken by countries for goods and works between USD20,000 and USD100,000.
- The same modality applies for procurement of consulting services but with a threshold of above USD60,000 for IFAD Review and USD30-60,000 for ASEAN Secretariat Review, respectively.

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

43. The Meeting noted the good progress of the SEApeat project as assessed by the ROM, as in **ANNEX 12**. The Meeting also noted the recently concluded ROM Mission by the EU and its positive findings towards the Project.

44. The Project received high scores (Relevance-A; Efficiency-A; Effectiveness-B; Impact-B; Sustainability-A) and was greatly appreciated by the EU.

AGENDA ITEM 12: APPROVAL OF OTHER KEY DECISIONS FROM PMM7

45. The Meeting noted the following dateline for the various reports, as agreed at the 7th Project Management Meeting (PMM7):

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

AGENDA ITEM 13: SCHEDULE OF MEETING/EVENTS FOR 2013

46. The Meeting agreed on the schedule of meetings/events for the remainder of 2013 as in **ANNEX 13**. Respective Components will provide to RPEA their schedule of events.

AGENDA ITEM 14: OTHER MATTERS

47. There were no other matters raised.

Acknowledgement

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

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