



ASEAN PEATLAND FORESTS PROJECT (APFP)

REHABILITATION AND SUSTAINABLE USE OF PEATLAND FORESTS IN SOUTH EAST ASIA

Grant No GEF-FSP-7-ASEAN

**Report of the Project Inception Meeting
23-25 November 2009**

Project Partners



Prepared by

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1.0 Introduction

The Project Inception Meeting (IM) was held in November 2009 to assist the ASEAN Secretariat and the Regional Project Executing Agency (RPEA) to outline the Project work plan for the first year of implementation, based on the final Project Document. This Report has been prepared to document the presentations at the Inception Meeting and to record key decisions, specifically with regards to the 2010 Annual Work Plan and Budget and the Project Procedures Manual (PPM). It also includes an update of progress to date on project establishment and start-up activities (for the five components of the Project), and the proposed amendments to project activities or approaches.

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 areas:

- (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 community and private sector involvement in sustainable peatland management.

The Project (abbreviated as the ASEAN Peatland Forests Project, APFP) was developed by the ASEAN Secretariat (ASEC) and the Global Environment Centre (GEC) for funding by the International Fund for Agricultural Development (IFAD) and the Global Environment Facility (GEF). The participating countries are the ASEAN Member States (AMS), in particular Indonesia, Malaysia, Philippines and Viet Nam, with support from Brunei Darussalam and Singapore.

The Grant Agreement (GA) for the Project was signed between ASEC and IFAD on 24 February 2009. The GA formalizes the approval and administration of the Grant from the GEF and supervision of the project implementation over the period of four years (2009-2013). The Project consists of five components: the Regional Component and four country components i.e. Indonesia, Malaysia, Philippines and Viet Nam.

The ASEAN Peatland Management Strategy (APMS) was used as the key guide to develop and design this Project. Formed under the framework of the ASEAN Peatland Management Initiative (APMI), the APMS was endorsed at the 22nd Meeting of the ASOEN-HTTF (15-16th November 2005, Bandar Seri Begawan, Brunei Darussalam) and the 10th ASEAN Ministerial Meeting on the Environment (AMME) (10th November 2006, Cebu, Philippines). The Project design has adopted six key approaches of the APMS as follows:

- (i) a coordinated multi-country approach;
- (ii) on-the-ground implementation;
- (iii) creating linkages to other interventions and cooperation frameworks;
- (iv) creating linkages to the private sector;
- (v) addressing poverty and community livelihood issues; and

- (vi) the establishment of innovative financial mechanisms for sustainable peatland management.

The prime purpose of this Project is to enhance a regional effort to rehabilitate and manage peatlands in a sustainable manner in response to problems created by peatland degradation in the ASEAN region through efforts supporting the implementation of the APMS as a collective approach by these countries.

2.0 Project Goal and Objectives

The **OVERALL PROJECT GOAL** is to promote the sustainable management of peatlands in SE Asia to sustain local livelihoods to reduce poverty, reduce risk of fire and associated haze and contribute to global environmental management, particularly biodiversity conservation and climate change mitigation

The **IMMEDIATE OBJECTIVE** is to demonstrate, implement and upscale integrated management of peatlands in SE 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.

3.0 Project Outcomes and Outputs

The Project actively focused in countries with significant peat resources e.g. Indonesia, Malaysia, Philippines and Viet Nam to address their respective needs while the regional activities are targeted for information exchange, capacity building, sharing of resources, early warning and monitoring to involve member countries implementing the APMS activities

The Project has five Outcomes. They are:

- Outcome 1: Capacity for sustainable peatland management in SE Asia strengthened
- Outcome 2: Reduced rate of degradation of peatlands in SE Asia
- Outcome 3: Integrated management and rehabilitation initiated at targeted peatlands
- Outcome 4: Local communities and the private sector actively contributing to sustainable peatland management
- Outcome 5: Project effectively managed and technically guided

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.

Output 1.2 Capacity for peatland management strengthened through training and awareness programmes to support the upscaling of good peatland management practices

Output 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

Output 2.1 Status and trends of peatland degradation in South East Asia determined

Output 2.2 Rate of degradation of peatlands by fire reduced

Output 2.3 Conservation measures for peatland biodiversity enhanced at identified critical sites

Output 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

Output 3.1 Sustainable management options for peatlands showcased through demonstration projects

Output 3.2 Maintenance and rehabilitation activities implemented in identified critical peatland sites (pilot sites) implemented

Output 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

Output 4.1 Integrated sustainable peatland management implemented in partnership with the private sector through joint activities at identified critical sites

Output 4.2 Local communities empowered for sustainable peatland management through poverty alleviation, alternative livelihoods and micro-financing

OUTCOME 5 - Project effectively managed

Output 5.1 Project governance, management and coordination mechanisms at country levels established

This output concerns the governance, management and coordination structures for the four country components in Indonesia, Malaysia, Philippines

and Viet Nam that will need to be put in place to implement the country components of the Project.

Output 5.2 Project governance mechanism overseen and guided and effectively coordinated, monitored and evaluated

This particular output focuses on ensuring the overall good management and governance of the project during implementation. These include the establishment of the Project Steering Committee and other advisors to ensure that the Project is properly guided. It also involves the day-to-day management, communications, reporting and administration of the overall project, to ensure the Project's smooth operation and coordination among national coordinators as well as exchange and sharing of information among the various players in project implementation. Resources are also included under this Output for technical support and guidance to the country components, and will include the monitoring and evaluation of the Project such as the mid-term and terminal review missions and monitoring visits to the Project sites.

4.0 Project Duration

The duration of the Project is 1 January 2010 – 31 December 2013. This is a four (4) year project consisting of five (5) components. The Regional Component and the Indonesia and Malaysia country Components will be implemented over a four year period; while the Philippines Component and Viet Nam Components over two years.

5.0 Project Budget and Costs

5.1 Financial Modalities and Cost-Effectiveness

The proposed Project has been designed to be cost-effective as much as possible. It will utilize existing institutional mechanisms for project management, found within ASEAN and the AATHP, rather than establishing its own coordinating mechanisms. It will make full use of national experts and existing ASEAN Focal Points from the participating countries. It will also use the APMI (and APMS) implementation mechanism, already established by ASEAN as well as the mechanisms for the AATHP. The whole approach to the rehabilitation and sustainable management of ecosystems will be low cost, replicable by poor communities without recourse to expensive technological or mechanical means.

5.2 Project Financing

Total project financing amounts to US\$ 14,506,871, excluding preparatory grant financing and fees. The requested GEF grant contribution is US\$ 4,299,164 (nearly 30 % of total cost), will be funded from GEF global resources for the Land Degradation Focal Area (US\$ 2 million, 46.5 % of total GEF grant) and national RAF resources (the remaining US\$ 2.299 million). The total co-financing for the full project grant amounts to US\$ 10,207,707, broken down as in Table 15a below.

Table 1: Project Financing, per Component and Financing Sources

Project Components	GEF Financing		Co-financing		Total (USD)
	(USD)	%	(USD)	%	
1. Capacity building for sustainable peatland management	1,586,957	48.65%	1,675,020	51.35%	3,261,977
2. Reduction of peatland degradation	914,757	20.18%	3,617,600	79.82%	4,532,357
3. Integrated management and rehabilitation of peatlands	713,795	18.84%	3,075,432	81.16%	3,789,227
4. Multi- stakeholder partnerships	653,655	40.46%	961,905	59.54%	1,615,560
5. Project management	430,000	32.89%	877,500	67.11%	1,307,500
Total project costs	4,299,164	29.64%	10,207,457	70.36%	14,506,621

Table 2: Estimated Output Budget

OUTCOMES AND OUTPUTS	Proposed GEF Contribution	Proposed Co-funding	Total Cost
Outcome 1	1,586,957	1,675,020	3,261,977
Output 1.1	219,700	493,000	712,700
Output 1.2	1,184,907	1,067,020	2,251,927
Output 1.3	182,350	115,000	297,350
Outcome 2	914,757	3,617,600	4,532,357
Output 2.1	269,000	389,000	658,000
Output 2.2	326,000	2,670,000	2,996,000
Output 2.3	167,050	323,250	490,300
Output 2.4	152,707	235,350	388,057
Outcome 3	713,795	3,075,432	3,789,227
Output 3.1	218,100	545,000	763,100
Output 3.2	119,720	122,250	241,970
Output 3.3	375,975	2,408,182	2,784,157
Outcome 4	653,655	961,905	1,615,560
Output 4.1	371,014	730,000	1,101,014
Output 4.2	282,641	231,905	514,546
Outcome 5	430,000	877,500	1,307,500
Output 5.1	84,350	105,000	189,350
Output 5.2	345,650	772,500	1,118,150
Total	4,299,164	10,207,457	14,506,621

Table 3: Detailed Description of Estimated Co-Financing Sources

Name of co-financier (source)	Classification	Type	Contribution to country outputs incl. project management	Status
COUNTRIES				
Government of Indonesia	Government	In kind	3,655,000	confirmed
Government of Malaysia	Government	In kind/In cash	1,380,457	confirmed
Government of Philippines	Government	In kind	370,000	confirmed
Government of Viet Nam	Government	In kind/In cash	335,000	confirmed
Government of Singapore	Government	In kind	1,800,000	confirmed
Government of Brunei	Government	In kind	409,000	confirmed
Contribution of AMCs to Regional Component *	Government	In kind	666,000	confirmed
SUB TOTAL-COUNTRIES			8,615,457	
OTHERS				
Private sector and other contributors to regional component	Private sector and others	In kind	485,000	Agreed in principle
GEC	NGO/RPEA	In kind/In cash	460,200	confirmed
ASEC	Intergovernmental organization	In kind	201,550	confirmed
IFAD	GEF Agency	In kind	445,250	confirmed
SUB TOTAL-OTHERS			1,592,000	
TOTAL			10,207,457	

*Including participation in regional meetings, sharing of information and materials etc.

6.0 Project Inception Meeting

The Regional Inception Meeting for the Project on Rehabilitation and Sustainable Use of Peatland Forests in Southeast Asia was held on 23-25 November 2009 in Kuala Lumpur, Malaysia. The Meeting was attended by representatives from Indonesia, Malaysia, Philippines, Singapore, Viet Nam, ASEC, IFAD and GEC (see **ANNEX 1** for the List of Participants).

The Meeting was chaired by Dr. Raman Letchumanan, Head of Environment Division, ASEAN Secretariat, in his capacity as Project Director

A fundamental objective of the Inception Meeting (IM) was to assist the ASEAN Secretariat and the Regional Project Executing Agency (RPEA) to finalize the Project's first Annual Work Plan and Budget (AWPB) based on the logical framework in the Project Document. In addition, the purpose and objective of the IM was to:

- (i) introduce the Project Team which will support the project during its implementation;
- (ii) detail the roles, support services and complementary responsibilities of staff in the Project Team;
- (iii) discuss the IFAD-GEF reporting and monitoring and evaluation (M&E) requirements, and related documentation/ reports;
- (iv) review the design of the project components and the implementation arrangements; and
- (v) discuss and finalize related budgetary matters.

The IM also provided an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including financial management and administration, reporting and communication lines, and conflict resolution mechanisms. The terms of reference for project staff and decision-making structures was discussed and each party's responsibilities during the project implementation phase was clarified.

The meeting enabled a review of the project as designed and provided an opportunity for the participating countries to make updates to the context and minor adjustments to the targets. The meeting also permitted the development of the work plan for the first year of the project as well as the development of the Project procedures manual (PPM). The procedures for supervision and evaluation of the project were also detailed (see **ANNEX 2** for the Program of the Meeting).

7.0 Presentations at the Project Inception Meeting

A number of key presentations were made to the meeting on aspects of the design, operation and supervision of the project.

7.1 Presentation 1: Introduction from ASEAN - From design to approval to implementation - Key issues Key Issues in Project Development

Dr Raman briefed the Meeting on the key features of the Project and updated the participants of its development during the development/ design phase of the Project (see **ANNEX 3**).

Project Development: He highlighted the Project development steps started since May 2005 until February 2008, including formal and informal consultation sessions with relevant stakeholders from within the region. There were five Project Planning and Preparation Working Group (PPPWG) Meetings within the three year period. The first PPPWG Meeting was held in Kuala Lumpur, Malaysia in September 2005 followed by second PPPWG Meeting in Pekan Baru, Indonesia in February 2006. The third PPPWG Meeting in Hanoi, Viet Nam was held in May 2006, the fourth PPPWG Meeting in Kuala Lumpur, Malaysia in February 2008 and finally the fifth PPPWG Meeting was held in Hat Yai, Thailand in May 2009.

Summary of Project Components: The focus of each of the Project Components was highlighted, as follows:

- Indonesia Component

National activities will concentrate on policy and capacity building focusing on integrated planning, as well as community and plantation sector involvement.

There are two project pilot sites located in Riau Province, Sumatra i.e. Kampar District with 440,947 ha of peatlands and Siak District with 75,000 ha of peatlands. There are also three project demonstration sites in the country i.e. Central Kalimantan Province which was an ex-Mega Rice Project site (1,000,000 ha); Lake Sentarum, West Kalimantan Province (130 ha); and Rokan Hilir District, Riau Province (87.57 ha).

- Malaysia Component

National activities will concentrate on policy enhancement, capacity building and the sharing of experience and lessons learned.

The North Selangor Peat Swamp Forest was chosen as the project pilot site where activities will be focused on an area of about 2,000 ha of peat. Rehabilitation activities have been carried out in partnership with the private sector and volunteers by the Selangor State Government and GEC at the forest reserve, which will be used as a demonstration of good management practice and replicated by the Project.

- Philippines Component

The national component will focus on awareness and capacity building activities. There are also two pilot sites i.e. Leyte Sab-a Basin, Visayas (the peat area is 1,740 ha) and Caimpugan Peatlands, Agusan Marsh, Mindanao (est.1,000 ha for pilot activities).

- Viet Nam Component

The national component will be focusing on awareness and capacity building activities. The pilot area for the Viet Nam Component is the U Minh Thuong National Park (21,000 ha) which consists of a core zone (8,509 ha) and a buffer zone (13,292 ha).

- Regional Component

The Regional Component will support and promote the APMS and National Action Plans for Peatlands (NAPs) through information materials, workshops and consultation meetings; assist in the development of a regional peat fire prediction and monitoring system; increase capacity building and awareness activities for upscaling good management practices for peatlands through setting up a network of demonstration sites for best management practices; and encourage the study of the carbon storage and climate vulnerability features of peatlands and collaborate with partners in the region, help develop guidelines for integrated management of peatlands, promote the sustainable use of peatlands for large-scale plantations, and develop sustainable financial mechanisms.

7.2 Presentation 2: Introduction from IFAD - From design to approval to implementation - Key issues Key Issues in Project Development

Mr Jesus Quintana from IFAD briefed the Meeting on the key issues for project implementation and the way forward, the milestones and main dates for the Project (see **ANNEX 4**). He highlighted that the Project was approved by the GEF Chief Executing Officer (CEO) in August 2008 and a Grant Agreement was signed in February 2009. The Grant Agreement became effective subsequently on 28 July 2009 and the Project is expected to start its implementation in January 2010.

Mr Quintana highlighted some key issues on roles and responsibilities in his presentation, such as:

- Partnership in action – the roles and functions of the various agencies involved
- Management of GEF funds – the responsibility of IFAD
- Supervision and implementation support – the roles of IFAD, ASEAN Secretariat and GEC
- Monitoring and evaluation – its importance to GEF
- Finance administration and auditing by IFAD

7.3 Presentation 3: Monitoring & Evaluation, Supervision and Implementation Support

On the final day of the Inception Meeting, Mr Quintana from IFAD gave a presentation on the roles and responsibilities of IFAD, the supervision and implementation support they provide, the project cycle services by IFAD and the GEF and requirements for M&E by GEF (see **ANNEX 5**). He highlighted that IFAD played a key role in the following: assisting the grant parties in the interpretation of grant documents; facilitating project implementation; monitoring compliance with grant documents; reviewing, commenting on and approving the AWPB; reviewing and approving for payment the Withdrawal Applications and reviewing and providing “No Objection” to the procurement of goods, civil works and services. On supervision, he said that IFAD was responsible for supervision of the administration of loans and grants for the purposes of the disbursement of the proceeds of the loan and the supervision of the implementation of the project or programme concerned. It also concerns the supervision process that deals with 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. IFAD’s implementation support will be based on an assessment of progress against agreed indicators in the M&E system. Finally, he explained that the GEF would monitor the Project according to five major evaluation criteria: relevance, effectiveness, efficiency, results and sustainability.

7.4 Presentation 4: Financial Administration and Management

Ms Silvia Mancini of IFAD presented the IFAD financial management guidelines (see **ANNEX 6**). The Inception Meeting was informed that IFAD has opened a Grant Account and credited USD 4,299,164 which it received from the GEF. IFAD can now process payments from the Grant Account between the date of Grant Effectiveness

i.e. 28 July 2009 and the Grant Completion Date i.e. 30 September 2013. The Grant Closing Date is 31 March 2014. She also highlighted the key Project documents, the Project management structure and the Project governance structure that should be used as reference for implementing the Project.

In terms of financial administration and management, IFAD is directly responsible for: declaring the grant agreement effective; disbursing the grant proceeds; approving the Projects Annual Work Plan and Budget, giving a “no objection” Procurement and Service Contract; accounting for grant account; amending the grant agreement (i.e. extension of the grant completion and closing dates, reallocation of funds among categories, amendment of the content of the grant agreement); suspending the grant for non-performance of contractual obligations; reviewing the Financial Statements of the Project for each Fiscal Year; supervising the Programme and reviews major non compliance; reviewing the Programme Audit reports; facilitating Programme implementation and closing the Grant.

For the first disbursement, Ms Mancini explained that the pre-disbursement conditions are that: (i) the Grant Account and related accounts be opened; (ii) the four country sub-agreements be signed and all conditions precedent to the effectiveness be fulfilled; and (iii) the first AWPB and procurement plan be submitted and approved by the IFAD.

She also added that IFAD would monitor the expenditure of the Project according to the Components set out in the Project Document, and explained the conditions for withdrawal application and funds disbursement which are detailed in the Project Procedures Manual (PPM). Conditions and requirements for auditing of the Project accounts were also discussed.

8.0 Key Discussion Points from Inception Meeting

8.1 Confirmation of Project Design and Implementation Arrangements

The National Coordinators (NCs) and the RPEA were asked to review the design of the regional and country components with regards to any changes in the context or needs between the time of the design to the start of the implementation phase of the Project. The RPEA and NCs were also asked to confirm the implementation arrangements for the components of the Project, which in all cases remained essentially the same. It was stressed that the participating countries should use existing bodies/ committees, for project implementation. This could be done as part of the national policy on peatlands or as part of the National Action Plan on Peatlands to ensure that these institutions continue to operate beyond the Project period.

Indonesia Pak Antung Deddy, as National Coordinator for the Indonesia Component highlighted that some of the proposed activities, such as the NAP for Peatland and a draft of Master Plan for Peatlands for Riau Province, had been initiated as the start of the Project had been delayed. Revisions of component activities were made as a result of these facts. Some of the component activities were proposed to be merged (number of activities were reduced by 30% from previous design) but there were no major changes in the activities.

Another revision is that the component proposed to use some of the pilot or demonstration sites for a study on carbon emission and Reducing Emissions from Deforestation and Degradation (REDD); These sites could be considered for additional support through REDD or other options as developed in conjunction with the Regional Component.

Dr Lailan Syaufina, the Indonesian National Expert, added that due to efforts by the Indonesian government in partnership with neighboring ASEAN countries, the incidents of fires in Rokan Hilir and Dumai districts have reduced; these efforts will be replicated during the Project.

On the implementation arrangements for the Component, she explained that the number of agencies involved in the implementation had been reduced to increase efficiency. At the local level, more focus would be given to the provincial committee compared to the district authorities. The two committees for the Project have been formed i.e. the National Project Implementation Committee (NPIC) and Local Project Implementation Committee (LPIC); the LPIC would focus on the implementation of pilot activities.

See **ANNEX 7** for Revised Proposal for Indonesia.

Malaysia reported that some of the project activities had been completed during the project design and preparation stage using Government funds, which will be mentioned as co-funding from the Malaysian Government. One of the main changes in the Malaysia Component is the Peatland Education Centre proposed at the pilot site would be changed from a physical centre to a virtual centre, using this proposed site for increasing awareness of the site among the local stakeholders through on-the-ground activities. In terms of the implementing arrangement, the existing National Wetlands Committee was still expected to play the role of the National Project Implementation Committee (NPIC). At the pilot site, government agencies functioning at the state and district levels would be involved in the implementation of site-level activities.

See **ANNEX 8** for Revised Proposal for Malaysia.

The Philippines Ms Armida Andreas, the National Coordinator for the Philippine Component highlighted that there were no major changes or revisions to the component activities. Two main issues were highlighted: (i) Taxes: The issue of payment of taxes related to project activities. In the Agreement with ASEC it is stated that GEF funds cannot be used to pay for taxes. This implies that local government funds should be used to pay or reimburse taxes. This may make implementation a little complex as there are local sales taxes on certain goods and services and it will be complicated to have multiple payments for each item. It was agreed that a simplified system should be found and that as long as there was a government contribution to the project at least as much as the taxes that a solution could be found. (ii) **National expert**: A proposal was made to include a budget for a national expert to complement the planned international expert – to lower costs and enhance sustainability.

It was also highlighted that the National Project Implementation Committee (NPIC) will be extended to include the National Haze Focal Point for ASEAN and representatives from the local level committees from the pilot sites i.e. the Local Government Unit of Alang-Alang (in close coordination with DENR 8) and the Protected Area Management Board through the Protected Area Superintendent (PASu) in close coordination with LGU San Francisco.

See **ANNEX 9** for Revised Proposal for the Philippines.

Viet Nam reported that the design has essentially remained the same, and only one activity had been added. Implementation arrangements were clarified for more effective implementation of the designed activities. There has been an increase in the opportunities for co-funding activities and the National Expert, Dr Le Phat Quoi has written several proposals that could help sustain the project activities beyond the two years.

See **ANNEX 10** for Revised Proposal for Viet Nam.

Regional The RPEA reported that some of the activities under the same output had been merged to ensure that reporting on the activities could be simplified; the design of the Component had remained the same, no major revisions were made. The implementation arrangements for the Regional Component were also the same as in the proposal.

See **ANNEX 11** for Revised Regional Proposal.

8.2 Confirmation of Annual Work Plan and Budget 2010 (AWPB)

The Project Annual Work Plan and Budget (PAWPB) is a required part of the overall planning system of the Project, 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 of each component. During the Inception Meeting, NCs were required to present the draft CAWPB 2010 and the RPEA presented the RAWPB.

The prescribed format for the AWPB reflects the details required for the activities, their linkages to the expected outcomes and schedule as shown in the logical framework matrix; the format was developed and agreed on to meet IFAD's planning and reporting requirements – both in the achievements of project outputs/ outcomes and for financial reporting. The Country and regional work plans were reviewed and finalized during the meeting.

The CAWPB 2010 for the Indonesia Component is given in **ANNEX 12**.

The CAWPB 2010 for the Malaysia Component is given in **ANNEX 13**.

The CAWPB 2010 for the Philippine Component is given in **ANNEX 14**.

The CAWPB 2010 for the Viet Nam Component is given in **ANNEX 15**.

The RAWPB 2010 for the Regional Component is given in **ANNEX 16**.

The four CAWPB and RAWPB were consolidated to prepare the overall Summary of the AWPB 2010 for the Project (see **ANNEX 17**).

8.3 Confirmation of Project Procedures Manual (PPM) – Project Implementation and Financial Management Arrangements

The draft Project Procedures Manual (PPM) was discussed at the Inception Meeting, getting input from the National Coordinators, ASEC and IFAD. Subsequently ASEC, IFAD and GEC worked together to finalize the PPM which was adopted by the PSC (see **ANNEX 18** for PPM). The PPM is considered a living document that would be revised and expanded periodically during the implementation of the Project.

9.0 Field Visit to North Selangor Peat Swamp Forest

A field visit was organized to the North Selangor Peat Swamp Forest which is one of the main project sites for the Malaysian Component. It is located in the north western part of the State of Selangor cover an area of 73,592 hectares. It consists of Raja Musa Forest Reserve and Sungai Karang Forest Reserve with an area of 23,486 hectares and 50,106 hectares respectively. The participants of the Inception Meeting were taken to visit the Raja Musa Forest Reserve and were briefed on the various initiatives at the pilot site for the Malaysia Component (see **Annex 19**). The issues discussed included forest fire and encroachment, rehabilitation which includes canal blocking and natural regeneration, the constraints of the initial efforts and finally, the future plans for the area.

10.0 Project Steering Committee Meeting

A Project Steering Committee meeting was held in conjunction with the Inception Meeting – to formally review the AWPB, PPM and other key outcomes of the Inception meeting.

11.0 International Meeting on Integrated Management and Rehabilitation of Tropical Peatlands

Immediately following the Inception Meeting, an **International Meeting on Integrated Management and Rehabilitation of Tropical Peatlands** was organized by the Project on 26 November 2009 with co-financing from the ASEAN Centre for Biodiversity (ACB). This meeting provided a platform for policy makers, peatland experts, government institutions, academics, NGOs and individuals to highlight the importance of peatlands for climate change and biodiversity and share experiences and lessons learnt in relation to rehabilitation and sustainable use of peatlands. A report on this meeting is being prepared by GEC.

12.0 Next Steps/ Recommendations

12.1 Status of Malaysia sub-agreement

The Inception Meeting noted that the major constraint in moving forward with project implementation was the delay in the signing of the Malaysia sub-agreement, which affected the withdrawal application as one of the conditions for withdrawal was the signing of the four country sub-agreements. It was anticipated that the Sub-Agreement would be signed before the end of 2009 enabling the project to start in January 2010.

12.2 Withdrawal Requests by countries

The countries will need to submit the fund withdrawal request forms to the ASEC in order to enable ASEC to submit the fund withdrawal application to IFAD for the funds to be transferred directly to the countries to enable them to proceed with project implementation.

12.3 Planning Meeting in July 2010

There was a proposal that a planning meeting be held in July 2010 to review project implementation as well as guide countries on the next steps for the Project.

12.4 Planned Regional Activities for 2010

Several activities were planned for the Regional Component in 2010 and they are as follows:

Event	Venue	Date (2010)
i. Technical Meeting on Fire Prediction and Warning System	Malaysia	April
ii. Workshop on Options for Carbon Financing to Support Peatland Management	Indonesia	June
iii. Second Project Steering Committee Meeting	Philippines	July
iv. Peat and Fire Assessment Training/ Study Tour	Thailand	September
v. Third Project Steering Committee Meeting	Viet Nam	November

It is expected that the Project will start its full implementation in January 2010, upon the signing of the sub-agreement by Malaysia. This will enable withdrawal of funds for project activities identified in the AWPB 2010, and will enable the regional and country components to move forward in implementing the respective components.