



REQUEST FOR CEO ENDORSEMENT/APPROVAL

PROJECT TYPE: Full-sized Project

THE GEF TRUST FUND

Submission Date: 29 May 2008

Re-submission Date: 16 June 2008

PART I: PROJECT IDENTIFICATION

GEFSEC PROJECT ID: 2751

GEF AGENCY PROJECT ID:

COUNTRY(IES): Regional/Multi-country: Indonesia, Malaysia, Philippines, Vietnam plus Brunei* and Singapore*

PROJECT TITLE: Rehabilitation and Sustainable Use of Peatland Forests in South-East Asia

GEF AGENCY(IES): IFAD

OTHER EXECUTING PARTNER(S): ASEAN Secretariat, Global Environment Centre, National and Local Government Agencies

GEF FOCAL AREA (S): Land Degradation, Biodiversity, Climate Change

GEF-4 STRATEGIC PROGRAM(S): LD-SP2, BD-SP 4, CC-SP 6

NAME OF PARENT PROGRAM/UMBRELLA PROJECT: SFM

* Non-GEF-eligible countries participating with their own resources

A. PROJECT FRAMEWORK

Project Objective: 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.

Expected Calendar	
Milestones	Dates
Work Program (for FSP)	Nov 2007
CEO Endorsement/approval	Aug 2008
GEF Agency Approval	Oct 2008
Implementation Start	July 2009
Mid-term Review (if planned)	Dec 2011
Implementation Completion	June 2013

Project Components	Invst, TA, or STA	Expected Outcomes	Expected Outputs	Indicative GEF Financing		Indicative Co-financing		Total (\$)
				(\$)	%	(\$)	%	
1. Capacity building for sustainable peatland management	TA	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 programmes to support the up-scaling of good peatland management practices 1.3: Innovative financial mechanisms to support sustainable peatland management and rehabilitation established	1,586,957	48.65	1,675,020	51.35	3,261,977
2. Reduction of peatland degradation	Invst TA	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	914,757	20.18	3,617,600	79.82	4,532,357
3. Integrated management and rehabilitation of peatlands	Invst TA	Integrated management and rehabilitation initiated and implemented 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 3.3: Integrated management planning for critical peatland sites developed and adopted	713,795	18.84	3,075,432	81.16	3,789,227
4. Multi-stakeholder partnerships	Invst TA	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 peatland sites 4.2: Local communities empowered for sustainable peatland management through poverty alleviation, alternative livelihoods and micro-financing	653,655	40.46	961,905	59.54	1,615,560
5. Project management				430,000	32.88	877,500	67.12	1,307,500
Total project costs				4,299,164	29.64	10,207,457	70.36	14,506,621

B. FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	Project Preparation*	Project	Agency Fee**	Total	<i>For the record: Total at PIF</i>
GEF	340,000	4,299,164	460,516	5,099,680	5,304,458
Co-financing	215,000	10,207,457		10,422,457	12,757,167
Total	555,000	14,506,621	460,516	15,522,137	18,061,625

* PDF-B funded under GEF-3.

** 10% fee rate applicable only on project grant with 9% advance received at preparatory grant.

C. SOURCES OF CONFIRMED CO-FINANCING, including co-financing for the preparation for both the PDFs and PPG. (expand the table lines items as necessary)

PROJECT GRANT COFINANCING

Sources of Co-financing	Classification	Type of Co-financing	Amount	%
Project Government Contribution (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Vietnam)	Government Beneficiaries	In-kind/cash	8,615,457	84%
IFAD	GEF Agency	In-kind	445,250	4%
GEC	NGO	In kind/cash	460,200	5%
ASEC	Intergovernmental Organization	In kind	201, 550	2%
Private sector/others	Private Sector Others	In kind	485,000	5%
Total co-financing			10,207,457	100%

PDF B COFINANCING

Sources of Co-financing	Classification	Type of Co-financing	Amount	%
Project Government Contribution (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Vietnam)	Government Beneficiaries	In-kind	85,000	40%
IFAD	GEF Agency	In-kind	50,000	23%
GEC/ASEC	Others	In kind/cash	80,000	37%
Total co-financing			215,000	

D. GEF RESOURCES REQUESTED BY FOCAL AREA(S), AGENCY (IES) SHARE AND COUNTRY(IES)*

GEF Agency	Focal Area	Country Name/ Global	(in \$)			
			Project Preparation*	Project	Fee**	Total
IFAD	Land Degradation	Global	340,000	2,000,000	230,600	2,570,600
IFAD	Biodiversity	Indonesia		1,091,000	109,100	1,200,100
IFAD	Biodiversity	Malaysia		800,000	80,000	880,000
IFAD	Biodiversity	Philippines		226,364	22,636	249,000
IFAD	Biodiversity	Vietnam		90,900	9,090	99,990
IFAD	Climate Change	Vietnam		90,900	9,090	99,990
Total GEF Resources			340,000	4,299,164	460,516	5,099,680

* PDF-B funded under GEF-3.

** 10% fee rate applicable only on project grant with 9% advance received at preparatory grant.

E. PROJECT MANAGEMENT BUDGET/COST

<i>Cost Items</i>	<i>Total Est'd person wks</i>	<i>GEF(\$)</i>	<i>Other sources *(\$)</i>	<i>Project total (\$)</i>
<i>Local consultants*</i>	1,671	240,380	269,895	510,275
<i>International consultants*</i>	127		269,302	269,302
<i>Office facilities, equipment, vehicles and communications**</i>		68,670	141,890	210,560
<i>Travel**</i>		120,950	196,663	317,613
Total	1,798	430,000	877,750	1,307,750

* Includes cost of personnel provided to support project management from partner organizations

** Details: **Office facilities, equipment, vehicles and communications** - covers office facilities in four participating countries plus ASEAN secretariat and IFAD as well as communication costs and minor equipment. **Travel**: includes cost related to project management and supervision, project inception workshop, project steering committee and governance meetings, GEF agency, ASEAN secretariat, Regional project executing agency and participating country travel related to project management and administration.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

<i>Component</i>	<i>Est'd person wks</i>	<i>GEF(\$)</i>	<i>Other sources** (\$)</i>	<i>Project total (\$)</i>
<i>Local/ regional consultants*</i>	5,476	899,000	854,500	1,753,500
<i>International consultants</i>	53	112,500	10,000	122,500
Total	5,533	1,011,500	864,500	1,876,000

* Note includes consultants who are nationals of the participating countries

** Includes cost of technical personnel provided by partner agencies

G. DESCRIBE THE BUDGETED M&E PLAN: Monitoring and Evaluation (M&E) is particularly vital to GEF's effectiveness for three reasons: GEF's projects are often innovative or experimental, GEF is pioneering coordination among many parties, and 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.

Monitoring and evaluation activities will be based on the project's Logical Framework Matrix, both at the overall project level and at the regional and country levels. The overall Monitoring and Evaluation format for the project will be laid out in detail at the Inception Workshop (the IW will be the first project activity to be undertaken upon project start-up).

G.1. Monitoring and Reporting

The Regional Project Executive Agency (RPEA) will develop criteria for participatory monitoring of the project activities in consultation with key stakeholders (identified in Section 2.10 of the Project Brief). Appropriate participatory mechanisms and methodology for performance monitoring and evaluation will be established at the very outset of the project.

The RPEA, National Coordinator (NC) and Local Project Implementation Committee (LPIC) will be responsible for day to day monitoring of implementation performance based on the project's Annual Workplan. The project's Annual Workplan will contain specific *performance or progress indicators* and *means of verification* that will enable project staff to assess whether implementation is proceeding at the intended pace and in the right direction. IFAD will provide guidance to the RPEA, NC and LPIC in the development of their Annual Workplan (as part of Inception Workshop preparation activities) and in the definition of performance indicators, means of verification, and their corresponding costs on an annual basis. The Project Management Team will inform IFAD of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

The project will be supervised by IFAD through semi-annual meetings or more frequently as deemed necessary with the project proponent. This will allow parties to take stock and to troubleshoot any problems pertaining to the project quickly to ensure smooth implementation of project activities. Field visits by the RPEA to the countries will be realized on a 6-monthly basis based on an agreed upon schedule to be detailed in the project's Annual Workplan. The RPEA will be responsible for preparing reports on mission findings and identify any support requirements.

The RPEA, NC and LPIC will be responsible for the preparation and submission of the following reports:

a) Inception Workshop (IW) and Inception Report (IR)

A Regional Inception Workshop (IW) will be conducted prior to the commencement of project implementation and ideally no later than one month after project signature. This Inception Workshop will include the members of the Regional Project Working Group (RPWG), ASEC and the Regional Project Executive Agency (RPEA), co-financing partners, IFAD etc. Beyond this, IWs will also be held at the country level prior to the commencement of project implementation and ideally no later than two months after project initiation.

A fundamental objective of the IW will be to assist the Project Management Team in the preparation of the project's annual workplan on the basis of the project's logframe. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise developing the first Annual Workplan with precise and measurable performance indicators, and in a manner consistent with the expected outcomes detailed in the project's logframe.

Additionally, the purpose and objective of the Inception Workshop (IW) will be to: (i) introduce project staff with the Project Management Team which will support the project during its implementation; (ii) detail the roles, support services and complementary responsibilities of staff in the Project Management Team; (iii) provide a detailed overview of IFAD-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the annual Project Implementation Reviews (PIRs) and related documentation, the Semi-Annual Project Report (SAPR), Tripartite Review Meetings, as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the Project Management Team on IFAD project related budgetary planning, budget reviews, and mandatory budget rephrasing.

The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed, in order to clarify each party's responsibilities during the project's implementation phase.

The Project Inception Report (for the regional and country components) will be prepared no later than two months after the Inception Workshop takes place and will include the following: (i) a detailed Annual Workplan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project.

The Annual Workplan will be developed in a manner consistent with the project's logframe so as to ensure the progressive fulfilment of project outcomes. An annual project budget will be prepared on the basis of the Annual Workplan, including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame. Specific field visits or support missions from IFAD, the RPEA or consultants are to be specified in this Annual Workplan.

The inception report will also include an update of progress to date on project establishment and start-up activities, and any proposed amendments to project activities or approaches, as appropriate or previously discussed in the Inception Workshop. Any training requirements in IFAD or relevant IFAD and/or GEF procedures will be detailed in the Report, with next steps, time-frames and responsible parties clearly identified.

When finalized the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to the circulation of the IR, the document will be reviewed by IFAD.

b) Semi-Annual Project Report (SAPR) (6 monthly)

The SAPR is a self –assessment report by project management to IFAD – it is not expected to be a participatory or consensus-building tool. It is a key input for the TPR.

The SAPR includes:

- an analysis of project performance over the reporting period, including outputs produced and, where possible, information on the status of the outcome
- the constraints in the progress towards results and reasons

- the three (at most) major constraints to achievement of results
- lessons learned
- clear recommendations for future orientation in addressing key problems in lack of progress

The format of the SAPR is flexible as long as it includes the above mentioned issues.

c) Project Implementation Report (PIR)

A major tool for monitoring the GEF portfolio and extracting lessons is the annual GEF Project Implementation Report (PIR). The PIR has become an essential management and monitoring tool for project managers and offers the vehicle for extracting lessons from ongoing projects.

The PIR is an annual monitoring process mandated by the GEF. Every project that has been under implementation for at least a year by the end of June of that year must submit a PIR report. PIR reports are completed by the project, in coordination with IFAD. Scope and content of the PIR is provided by the GEF M&E Unit. The format of the PIR will be provided by IFAD and/or GEF.

d) Project Progress Review Meetings

Upon completion and receipt of the SAPR, there will be semi-annual project progress review meetings at the country level, attended by one representative of the RPEA. The RPEA will review the physical and financial performance of the project at the country level. All the direct project staff at the country level will attend this meeting and performances of the project implementation will be reviewed as against the annual workplan and the annual budget and quarterly budgets. All field level performance related issues will be discussed and alternatives agreed upon at review meetings. The minutes of the meetings will be documented and will be made available to subsequent evaluations and reviews.

Furthermore, periodic supervision of implementation progress will be undertaken by the IFAD and GEF technical representatives through regular visits to project based on an agreed upon schedule to be detailed in the project's Inception Report/ Annual Work Plan to assess first hand project progress.

e) Periodic Status Reports

As and when called for by IFAD, the Project Management Team will prepare Status Reports, focusing on specific issues or areas of activity as stipulated by IFAD. The request for a Status Report will be provided to the Project Management Team in written form by IFAD and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. IFAD is requested to minimize its requests for Status Reports, and when such are necessary will allow reasonable timeframes for their preparation by the Project Management Team.

f) Technical Reports

Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the Project Management Team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent SAPRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly-defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

g) Project Publications

Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The Project Management Team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with IFAD, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format and identity. Project resources will

need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

h) Project Terminal Report

During the last three months of the project the Project Management Team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities.

Financial Progress reporting

The PEA, in conjunction with NPICs, will be responsible for 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. Financial progress reporting will be in accordance with the information needs of IFAD/GEF and will be on quarterly basis. The reporting requirements, which will be stipulated in the contractual agreement with IFAD, will be strictly adhered and report formats will be used for such quarterly reporting purposes.

Tripartite Review /Project Steering Committee meeting (TPR)

The tripartite review (TPR) is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Tripartite Review (TPR) at least once every year, the first such meeting to be held within the first twelve months of the start of full implementation. The project proponent will prepare a Semi-Annual Project Report (SAPR) and submit it to IFAD at least two weeks prior to the TPR for review and comments.

The SAPR will be used as one of the basic documents for discussions in the TPR meeting. The project proponent will present the SAPR to the TPR, highlighting policy issues and recommendations for the decision of the TPR participants. The project proponent also informs the participants of any agreement reached by stakeholders during the SAPR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary.

Terminal Tripartite Review (TTR)

The terminal tripartite review is held in the last month of project operation. The project proponent is responsible for preparing the Terminal Report and submitting it to IFAD. It shall be prepared in draft at least two months in advance of the TTR in order to allow review. The Terminal Report will serve as the basis for discussions in the TTR. The terminal tripartite review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective, and decides whether any actions are still necessary.

G.2. Evaluation

Mid-term Evaluation

An independent Mid-Term Evaluation will be undertaken at the mid point during the 3 year of implementation. The Mid-Term Evaluation 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 organisation, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared in coordination with IFAD.

Final Evaluation

An independent Final Evaluation will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at early signs of potential impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this final evaluation will be prepared in coordination with IFAD.

G.3. Sustainability of the M&E System

The sustainability of the Monitoring and Evaluation system proposed will be ensured through the implementation of the ASEAN Peatland Management Strategy (APMS) and the institutions involved in the implementation of the APMS and NAPs, both regionally and nationally.

At the regional level, the ASEAN Secretariat (working closely with GEC) will act to ensure that the monitoring and evaluation of the implementation of the APMS and NAPs will continue after the project, and for as long as the APMS is expected to guide actions to support peatland management in the region (i.e. until 2020).

There are also mechanisms with the ASEAN structure to monitor and evaluate the progress of the implementation of the APMS, such as the Conference of the Parties to the ASEAN Agreement on Transboundary Haze Pollution (AATHP) and Technical Working Group Meetings, beyond the project period.

At the national level, the AATHP Focal Points and APMI Focal Points meet on a regular basis to monitor the progress in the implementation of the APMS and NAPs, and discuss other issues with regards to haze and fires in peatlands and the sustainable management of peatlands. These Focal Points work within the ASEAN structure and monitor the activities being carried out at the national level, collaborating with the national institutions involved in the project.

Table 1: Indicative Monitoring and Evaluation Workplan and Corresponding Budget

No.	Type of M&E activity	Responsible Parties	Institutions Involved	GEF funding requested (US\$)	Co-funding (US\$)	Total (US\$)	Time frame
1	Inception Workshop	ASEC, RPEA and IFAD	ASEC, IFAD, GEC, * MOE Indonesia, NRE Malaysia, DENR- PAWB Philippines, VEPA Viet Nam	30 000	10 000	40 000	Within 3 months of the beginning of project implementation
2	Inception Report	ASEC and RPEA	ASEC, IFAD, GEC, MOE Indonesia, NRE Malaysia, DENR- PAWB Philippines, VEPA Viet Nam			From project running costs	One month after Inception workshop
3	Project Steering Committee Meetings	ASEC, IFAD and RPEA	ASEC, IFAD, GEC, MOE Indonesia, NRE Malaysia, DENR- PAWB Philippines, VEPA Viet Nam	15 000	15 000	30 000	Annually
4	Progress Report	ASEC and RPEA	ASEC, IFAD, GEC, MOE Indonesia, NRE Malaysia, DENR- PAWB Philippines, VEPA Viet Nam			From project running costs	Semi-annual (6 monthly)
5	Project Implementation Report	ASEC and RPEA	ASEC & GEC			From project running costs	Annually (in June every year)
6	Supervision visits to Countries/Sites	IFAD, ASEC, RPEA and NPICs	ASEC, IFAD, GEC, MOE Indonesia, NRE Malaysia, DENR- PAWB Philippines, VEPA Viet Nam	48 000	10 000	58 000	Annually
7	Tripartite Review and Terminal Tripartite Review	IFAD, ASEC, RPEA	ASEC, IFAD, GEC, MOE Indonesia, NRE Malaysia, DENR- PAWB Philippines, VEPA Viet Nam			From project running costs	Every year, upon receipt of APR
8	Audit	ASEC and RPEA	ASEC & GEC	12 000	0	12 000	Annually
9	Periodic status reports	ASEC and RPEA	ASEC & GEC			From project running costs	To be determined by Project Management Team and IFAD
10	Technical reports	ASEC and RPEA	ASEC & GEC			From project running costs	To be determined by Project Management Team and IFAD
11	Mid-term External Evaluation	IFAD, ASEC and RPEA	IFAD, ASEC & GEC	30 000	10 000	40 000	At the mid-point of project implementation.

12	Final External Evaluation	IFAD, ASEC and RPEA	IFAD, ASEC & GEC	30 000	10 000	40 000	At the end of project implementation
13	Terminal Report	IFAD, ASEC and RPEA	IFAD, ASEC & GEC			From Project running costs	At least one month before the end of the project
14	Completion Workshop	ASEC, IFAD, RPEA, Country Coordinators	ASEC, IFAD, GEC, MOE Indonesia, NRE Malaysia, DENR- PAWB Philippines, VEPA Viet Nam	30 000	10 000	40 000	At the end of the project period to showcase experience
TOTAL COST				195 000	65 000	260 000	

- * MOE Indonesia – Ministry of Environment, Indonesia
NRE Malaysia – Ministry of Natural Resources and the Environment, Malaysia
DENR-PAWB Philippines – Department of Environment and Natural Resources and Protected Areas and Wildlife Bureau in the Philippines
VEPA Viet Nam – Viet Nam Environmental Protection Agency

PART II: PROJECT JUSTIFICATION

A. DESCRIBE THE PROJECT RATIONALE AND THE EXPECTED MEASURABLE GLOBAL ENVIRONMENTAL BENEFITS:

A.1. Issue statement: Peatland forests are one of the main forest types in SE Asia and originally covered 30 million ha in the region, representing 60% of the global tropical peatland resource. Peatlands in the region store up to 6,000 tonnes of carbon per ha or a total of more than 45 billion tonnes of carbon (more than all other forest types combined) and are also of great significance for biodiversity conservation, water resource management and provision of economic and community benefits. More than 12 million ha of peatland forest have been cleared and drained and much of the remaining forest lands have been affected by over-exploitation, drainage and fires. This is severely affecting the associated carbon storage, biodiversity conservation and other ecosystem services. Degradation is releasing an estimated 2 billion tonnes of carbon dioxide per annum (equivalent to 8% of global emissions from fossil fuel) and also leading to transboundary smoke haze pollution which affects the economy and health of more than 50 million people in seven countries in the region. The rate of degradation has significantly increased in recent years.

Among the root causes of peatland degradation in the region are weak institutional capacity due to a lack of understanding or the failure to comprehend the importance of their natural functions; lack of institutional framework resulting from a wide-spread range of sectoral agencies responsible for peatland management; a general lack of awareness and understanding of peatlands and their values; unclear/ weak policies and regulations related to the management of peatlands; poor enforcement of regulations often linked to complex root causes including corruption, project driven planning/ perverse incentives, lack of political will, and unwillingness to learn from mistakes; unsustainable practices as a result of a lack of awareness of peatlands and their properties; inappropriate land and natural resource use planning for shorter-term gains such as the development of plantations; insufficient information on extent, status, suitability of peatlands for different purposes and inadequate dissemination of available information; unclear access rights and marginalization of local communities; and insufficient income generation opportunities for peatland communities.

The project strategy is to address common root causes through a coordinated multi-country approach involving actions at regional, national and site levels. Countries with significant peatlands in the region share the same root causes of peatland degradation and are faced with similar impacts and challenges for sustainable peatland management. The project will support the implementation of regional and national strategies for sustainable management of peatlands and the incorporation of peatland management into policies and plans related to forest and land-related resources to mainstream peatlands into the appropriate ministries. Common approaches to be applied include protection of remaining peat swamp forests through enhanced multi-stakeholder planning and stewardship; blocking of abandoned drainage channels to prevent fire and subsidence; promotion of sustainable agriculture, plantation and forestry techniques; and pilot and demonstration sites for peatland restoration. Innovative partnerships with private sector and local communities will be tested and promoted.

A.2. Project strategy: The goal, objectives and components of the project are proposed as follows: (a) **Overall goal** (derived from the ASEAN Peatland Management Strategy 2006-2020, APMS): To promote the sustainable management of peatlands in SE Asia to sustain local livelihoods, reduce risk of fire and associated haze and contribute to global environmental management. (b) **Immediate objective** (of the project): 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. (c) **Components:** The project will be organized in five components:

- Component 1: Capacity building for sustainable peatland management.
- Component 2: Reduction of peatland degradation
- Component 3: Integrated management and rehabilitation of peatlands
- Component 4: Multi-stakeholder partnerships
- Component 5: Project management

Outcomes and outputs within each component (see table A) will contribute towards the achievement of the immediate objective.

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

The issues of peatland management are still relatively new in SE Asia and the current level of capacity for sustainable peatland management is generally low in most countries in the region. Strengthening of capacity is important to help reduce the rapid degradation of peatlands in the region and lay the groundwork for sustainable management and rehabilitation activities. At the end of the project implementation period it is expected that all countries in SE Asia will have updated national action plans for peatlands and/ or incorporation of peatland issues into other national policies and plans, especially those dealing with forest and land-related resources in order to mainstream issues related to peatlands into the appropriate sector ministries. Lessons learned from other national and local level sites will be documented to upscale the learnings from these experiences into a wider framework. Supported by the principles of the APMS and the NAPs, the project will also aim to introduce sustainable peatland management into provincial and district level plans and policies. Human capacity for peatland management is expected to have been enhanced and the availability of information, training and awareness materials will enhance continuing capacity building programmes. At the end of the project there will be an increased level of resources available to support the sustainable management of peatlands and that various additional mechanisms will be established including a multi-donor trust fund on peatlands, one or more new user-pay or polluter pay schemes generating resources and better mechanisms to access or share existing resources of government agencies, private sector and other stakeholders in the region. The project will also explore the implementation of the concept of paying for environmental services provided by peatlands in the form of carbon financing. Innovative financing options such as haze insurance will also be assessed.

- 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 up-scaling 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

Over the past 10 years there has been an unprecedented level of peatland degradation in the ASEAN region with 3 million ha affected by fire, 5-6 million ha drained and up to 10 million ha logged. If this trend continues - most of the peatland resources in the region will be degraded or destroyed in the next 10-15 years. Following the intervention of the project, it is envisaged that the rate of degradation will be reduced – especially in the targeted areas. The rate of degradation of peatlands will be measured in terms of the number and proportion of fires annually at a particular project site and this will be compared to the sites within the same district where the project is not focused (the control for the rate of degradation). Comparisons of the number and proportion of fires can also be made between peatlands sites that have been drained (i.e. a control) with those that have with drained and restored under the project. One of the important tools will be a system to monitor the status and trends of peatlands in the region which will be strategic in influencing policy decisions and allocation of resources. During project implementation, further information on the status and trends of peatlands in the region will be gathered through this system to form a more definite baseline for the project, upon which the success of project activities can be measured. The information on carbon stocks and emission is expected to be important in the global negotiations related to climate change, both in terms of below ground (in the peat) and above ground (in the vegetation). The project will aim to monitor carbon stocks and emissions through the use of maps on the peat areas in the region and hotspot maps, with the assistance of ASEAN Specialised Meteorological Centre (ASMC) – in Singapore. Other management issues for the project sites will also be reviewed in terms of the drainage, level of forest clearance and logging activities to establish the baseline for the project. The status and trends of these peatland sites will be established through regular monitoring of these maps to establish any clear changes over a period of time. Although the methodology for reducing peat degradation might have been identified by earlier studies - such information is not adequately disseminated to key stakeholders. In addition, there is a need for better information on the priority sites for the conservation of peatland biodiversity as well as manuals on how to implement integrated peatland management approaches in SE Asia which help to reduce peatland degradation. Innovation in the methodology employed will come in the form of the application of the broader principles of integrated peatland management to suit the local situation and up-scaling the experience with community-based management of peatlands.

- 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

Outcome 3: Integrated management and rehabilitation initiated and implemented at targeted peatlands.

In the pilot areas, peatlands are currently managed in a fragmented manner by separate uni-sectoral managers and this contributes to the continuing degradation of the ecosystem. It is envisaged that following project intervention, progress will have been made to take a multi-stakeholder integrated approach to peatland management including the development of common strategies and master plans for the entire peatland hydrological units in the pilot areas. Lessons learned from other project experiences on integrated peatland management (e.g. community-based management, etc) will be documented to be used as a guide for the demonstration projects and to be up-scaled.

- 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
- Output 3.3: Integrated management planning for critical peatland sites developed and adopted

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

Currently the private sector and local communities are perceived by many as being responsible for the clearance, burning and degradation of the regions peatlands. Although in the past, large-scale conversion of peatlands by the private sector for plantations and land clearance using fire by local communities have been very extensive – there are potential options to change these key stakeholders from destructive to constructive forces through development of appropriate controls and incentives to encourage wise stewardship of the peatlands. It is envisaged that following the project interventions the selected local communities as well as private sector groups will be playing a more positive role and actively contributing to the sustainable management of peatland resources in the pilot areas. Here again, lessons learned from these experiences will be documented to replicate the lessons to other demonstration sites during the project period and to upscale these lessons through the training and awareness programs at the regional level.

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

Outcome 5: Project effectively managed.

The project management will build as much as possible on existing structures to be cost effective. Management will be decentralized with activities managed at local, country or regional level as appropriate. Effective planning and clear communication will be important to support management which will be monitored in terms of compliance with indicators and targets.

- Output 5.1: Project effectively coordinated, managed and monitored

A.3. Global benefits expected: The project aims to reduce the rate of degradation of peat swamp forests and support their rehabilitation to maintain biodiversity, carbon storage and climate regulation functions. Global benefits resulting from the project include the protection of globally significant peat swamp forests and associated carbon stores and biodiversity. The key global environmental benefits will arise from the protection, rehabilitation and sustainable management of key peatland areas. These ecosystems are some of the world's most important carbon stores. Rehabilitating degraded areas of peatlands will increase carbon sequestration as well as decrease emissions. The project will also bring global biodiversity benefits. The tropical peat swamp forests of Southeast Asia feature some of the highest freshwater biodiversity of any habitat in the world and are home to the largest remaining populations of *orang utan*, among other fauna species. Some of the plant species found here are unique to this ecosystem and are becoming increasingly rare. Rehabilitation and sustainable management of these globally important peatlands will enable them to support these species in the longer term. Rehabilitating the degraded ecosystems, conserving their globally important biodiversity and taking action to control the development of these areas will also contribute towards the fulfillment of the participating countries' obligations under the CBD and UNCCD.

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/ PLANS:

The project has been developed and will be implemented under the framework of the ASEAN Peatland Management Strategy (APMS) which was endorsed at Ministerial Level by the 10 ASEAN countries in November 2006. The project will assist countries to implement priorities identified in the APMS and the associated National Action Plans (NAPs).

The project has been specifically designed to build on ongoing activities and initiatives at local, national and regional levels. The proposal is also in line with country and regional priorities for biodiversity conservation (e.g. National Biodiversity Action Plans and Strategies, National Wetland Action Plans, etc), climate change mitigation and adaptation (e.g. Second National Communications to UNFCCC, etc) and national plans for forest and land degradation. The project is also specifically in line with Recommendation 12/15 of CBD SBSTA in July 2007 which calls for collective action to address the conservation of tropical peat swamp forests.

C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#) AND STRATEGIC PROGRAMS:

The development of the project was initiated within the framework of the Land Degradation Focal Area (FA) with specific relevance for biodiversity and climate change and therefore, has easily been adapted to make it compliant with GEF 4 FA Strategies and Strategic Programs. The project fits within the GEF 4 Framework Strategy for Sustainable Forest Management, under both SO-1: "Conservation and Sustainable Use of Forest Biodiversity," through forest biodiversity conservation both within and outside protected areas, and SO-2: "Sustainable Management and Use of Forest Resources" through promotion of sustainable management approaches for timber and non-timber forest products as well as management of ecosystem services. It is also relevant to a number of FA Strategic Programs, including: (a) LD Strategic Program 2: "Supporting Sustainable Forest Management in Production Landscapes," as it strengthens the policy and institutional framework for initiating and promoting integrated management and rehabilitation of peatlands under the APMS and the NAPs. It will also define and demonstrate best management practices to avoid the degradation of peatlands mainly caused by land conversion and fires. The rate of degradation of peatlands will be reduced through improved fire-fighting and fire prevention mechanisms; (b) Biodiversity Strategic Program 4: "Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity," as it aims to promote the sustainable management of peatlands through an integrated ecosystem approach at the regional, national and local levels, working through government agencies, private sector and the local community, and (c) Climate Change Strategic Program 6: "Management of Land-Use, Land-Use Change and Forestry (LULUCF)" as a means to protect carbon stocks and reduce GHG emissions. Peatland forests are the largest carbon store in SE Asia and their degradation is leading to GHG emissions estimated at 2 billion tonnes of carbon dioxide per year. The project will work to enhance protection of the remaining peatland forests and reduce emissions from drainage and fire in degraded and converted peatlands.

D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

The project has built upon other GEF-related activities in the region including the SE Asia component on the UNEP-GEF supported project on Integrated Management of Peatlands for Biodiversity and Climate Change (2003-2007), UNDP-GEF supported project on Conservation of Peatlands and Related Wetland Ecosystems in Malaysia (2001-2008). The project will aim to upscale the learnings from these projects to the national and regional levels. There are no other planned GEF activities related to peatland forests in the region but appropriate links will be made to relevant cross-cutting activities, such as community-based initiatives for peatland management (such as the Climate Change, Forests and Peatlands Indonesia and the Central Kalimantan Peatland Program). Links will also be made to related regional, national or bilateral-supported initiatives. In terms of linkages to other stakeholders, the project is carried out under the framework of the ASEAN Peatland Management Initiative (APMI) and the associated ASEAN Peatland Management Strategy (APMS), and the National Action Plans on Peatlands (NAPs) prepared by each of the participating countries. Specific ASEAN and national frameworks have been established to guide the implementation of the APMS and ensure effective linkage between related interventions. The APMS and the NAP together form a framework for other interventions and these should guide new projects in the area of peatland management in the region.

As part of the new GEF Strategy for SFM, the GEF is planning an initiative to assess the carbon benefits from GEF natural resource activities. This activity will develop a methodology for estimating carbon and other GHG-related benefits from land use activities in order to properly monitor the carbon benefits related to peatlands. The Peatlands project will establish linkages and work closely with this upcoming GEF initiative, looking for synergies and complementarities.

E. DESCRIBE THE [INCREMENTAL REASONING](#) OF THE PROJECT:

Without GEF support, co-funding and other leveraged assistance it is clear that the degradation of peatlands in the region will continue - the rate of loss of peatlands in some countries may lead to a complete disappearance of intact, functioning peatlands within a matter of decades. Specifically, a range of major problems affecting peatlands are likely to continue including: i. **Loss of globally important peat swamp biodiversity:** The large-scale clearance and over-exploitation of peat swamp forests have severely affected the biodiversity of peatlands in the region. More than 30% of

the total habitat has been destroyed and a further 40% degraded. In some parts of the region there are almost no intact peat swamp forests remaining. In Indonesia, the degradation of peat has had serious impacts on the population of e.g. the Sumatran Tiger (*Panthera tigris sumatrae*), honey bear (*Helarctos malayanus*) and declines in economically valuable tree species such as Ramin (*Gonystylus bancanus*). ii. **Increased greenhouse gas emissions and loss of carbon stores:** The carbon storage and sequestration functions of peatlands are now being lost due to human intervention. Activities related to land conversion, drainage and fires release stored carbon to the atmosphere. Drainage releases 50-100 t C/ha/yr and fire may release 500-1000 t C/ha/fire. About 10 million ha of peat swamp forests in SE Asia has been deforested and drained for agriculture. Annual carbon emission in SE Asia by drainage and fires is estimated at 2,000 million tonnes of CO₂, or around 8% of annual global CO₂ emissions. Other impacts include: Peatland hydrology will continue to be disrupted; further degradation of already damaged peatland areas will take place; peatland fires and associated smoke haze will remain constant or increase; the livelihood of communities living in peatland areas will not improve or will decline; institutional capacity for peatland management will not improve and planning and management of peatlands will still be on an ad-hoc or sectoral basis. This will lead to increased levels of GHG emission and enhanced loss of globally significant peatland biodiversity and more unsustainable land and forest management practices. The negative impacts on the health and livelihoods of local communities of peatland degradation and fires will increase. The main global environmental impacts are expected to be enhanced emissions of GHG and loss of endemic, threatened and important peatland biodiversity.

The expected value added by the GEF intervention is securing the global environment benefits related to the reduction in the rate of peatland degradation (see Section A.3) - the improvement of ecosystem services related to biodiversity, carbon storage and climate regulation. It will also help support the implementation of the APMS and the NAPs, further contributing to the sustainability of peatland management initiatives. The GEF intervention allows for a coordinated multi-country approach towards addressing the common root causes of peatland degradation in the region and a multi-stakeholder, multi-level approach to integrated peatland management, involving several sectors. It will also ensure that lessons learned from demonstration and pilot testing will be up-scaled to national, provincial and local land management activities as well as regional activities and training programs to ensure that the benefits from integrated peatland management be incorporated into a wider framework, including policies and plans that relate to forests and other land-related resources.

F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND OUTLINE RISK MANAGEMENT MEASURES:

F.1. The main risks and management measures are as follows: (a) Weak enforcement of policies and regulations related to peatland management will be addressed by close coordination with national and local government agencies; (b) the risks of lack of political will or poor governance will be minimized by careful selection of project partners (this will include local government agencies with demonstrated commitment to addressing peatland issues) and through close monitoring and guidance of project activities; (c) potentially slow implementation of multi-stakeholder integrated management strategies has been addressed by careful selection of pilot and demonstration sites and partner agencies (for example landowners, local communities, the private sector, plantations etc).

F.2. Climate change risks: The main climate change risk is the intensification of the periodic El Niño droughts which are a key root cause of extensive peatland fires. A major focus of the project is on fire prevention by sustainable peatland management and community stewardship, combined with better drought prediction and fire prevention measures. Strategies developed through the project will also include focus on enhancing resilience of peatlands to future climate change scenarios. An El Niño drought is anticipated to occur at some time during implementation of the Project (possibly in 2009 or 2010) and could affect some aspects of project achievement. The project will work closely with the ASEAN Specialised Meteorological Centre (ASMC) in Singapore to detect any early warning signs of El Niño and use the information to adjust the planning of activities especially in the fire prone regions, to minimize disruption.

G. EXPLAIN HOW COST-EFFECTIVENESS IS REFLECTED IN THE PROJECT DESIGN:

The project has been designed to maximize cost effectiveness in both management and implementation after assessment of various alternative strategies. The project will be managed and implemented using as far as possible, the existing ASEAN and national institutional mechanisms to minimize project management and overhead costs. Implementation of the project will incorporate coordinated efforts at the regional, national and local levels as experience has demonstrated that coordinated policy making and pilot project experience sharing between countries can lead to sustainable and cost effective solutions. ASEAN has a strong institutional, regulatory and policy framework for managing forest and land

fires and transboundary haze pollution with sustainable management of peatlands accorded high priority. Such a coordinated, regional approach has been shown to enhance sustainability, avoid duplication and address transboundary issues. During the project design process a number of different alternative project management and implementation models were reviewed and the most appropriate and cost effective models were incorporated. Another aspect of cost effectiveness is the significant co-funding and leveraged resources which have been allocated by different stakeholders. The project design and implementation also takes a programmatic approach and is integrated into existing institutional structures and mechanisms rather than creating new project-driven structures which will be expensive and unsustainable. It is also believed that the project will generate globally significant benefits in terms of biodiversity conservation, climate change mitigation and addressing of land degradation priorities. This will include a major reduction in the emission of carbon dioxide from peatlands fires and degradation as well as enhanced protection of peatland biodiversity.

PART III: INSTITUTIONAL COORDINATION AND SUPPORT

A. PROJECT IMPLEMENTATION ARRANGEMENT:

The project will be managed and implemented using the existing ASEAN arrangements (as used for implementation of APMI/APMS) as well as National institutional mechanisms to minimize project management and overhead costs. More importantly this will ensure sustainability of the project after its completion as the activities are mainstreamed into the ASEAN/ national policy and institutional framework. ASEAN has a strong institutional, regulatory and policy framework for managing forest and land fires and transboundary haze pollution with sustainable management of peatlands being accorded as high priority issues. In November 2006, the ASEAN Member Countries have endorsed a structure to implement the ASEAN Peatland Management Strategy based on the structure of the ASEAN Peatland Management Initiative established in February 2003. The APMS was endorsed at the 10th ASEAN Ministerial Meeting on Environment (AMME) on 10th November, 2006 in Cebu, Philippines. The regional institutional structure includes the Committee under COP to ASEAN Agreement on Transboundary Haze Pollution and ASEAN Secretariat.

Governance: The governance of the Project will include several bodies, namely the ASEAN Committee under COP to AATHP, the Project Steering Committee (PSC), Project Management Group (PMG) consisting ASEAN Secretariat together with the Regional PEA, and the National Project Steering Committee. The project implementation and executing arrangements are to be handled by ASEAN Secretariat, the appointed National Coordinators, Regional Project Executing Agency and other executing agencies appointed at the country and local levels. The Terms of References of the various bodies are described as follows (the organizational structure is illustrated in Figure 1 below):

- **Project Steering Committee (PSC)**

The ASEAN Secretariat, IFAD, Regional PEA and Country Coordinators and National Experts of Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Viet Nam will act as the Project Steering Committee (PSC) for the Project. The PSC will have overall authority for oversight, management and implementation of the Project. The PSC will meet either independently or back-to-back with the annual ASEAN Committee under COP to AATHP. The PSC will report to the ASEAN Committee under COP to AATHP on the progress of the project to seek strategic guidance and support as necessary.

- **Project Management Group (PMG)**

The Project Management Group (PMG) will oversee the administration of the project including review of progress of respective components, review of semi-annual budgets, resolve management issues, and oversee and provide guidance to the Regional Project Executing Agency (RPEA). The PMG reports to PSC.

- **National Project Implementation Committee (NPIC)**

The National Project Implementation Committees (NPIC) will be responsible for oversight, management and implementation of the Country Components. As far as possible, existing relevant national level committees, such as National Biodiversity Committee or National Wetlands Committee will act as the National Project Implementation Committee, and will incorporate relevant stakeholders required for the effective implementation of the Project. The NPIC are also envisaged to be in charge of implementing the National Action Plans on Peatlands and therefore will have a longer-term and holistic mandate on peatlands management in general, building upon the national level activities of this Project.

Execution. The project execution and implementation will draw on the existing partnership and mechanisms of the APMI, which also builds on the mechanisms used for project preparation as agreed at the 4th PPPWG meeting in Kuala Lumpur, Malaysia. Further information on the execution arrangement is given below:

ASEAN Secretariat (Executing Agency)

The ASEAN Secretariat will act as the overall coordinator and management for the Project and assisted by the RPEA. The ASEAN Secretariat will service and support the Project Steering Committee in the implementation of the Project. The ASEAN Secretariat will be the official channel of communication among AMCs, GEF, IFAD and other relevant stakeholders inside and outside the region.

Regional Project Executing Agency (RPEA)

The Regional Project Executing Agency (RPEA) will be responsible to implement the Regional Component of the project and in addition will service and support the ASEAN Secretariat in the day-to-day coordination and implementation of the Project. The RPEA, among others will help prepare technical and financial reports, provide technical support to regional and country components, administer the funds for the regional component, organize monitoring and evaluation missions, and other necessary tasks as requested by the ASEAN Secretariat/ AMCs. The RPEA will also be identifying and assisting in the securing additional financial resources for the implementation of the project.

The 4th Project Planning Preparation Working Group Meeting on 12-14 February, 2008 held in Kuala Lumpur, Malaysia recommended that the Global Environment Centre (GEC) be appointed as the Regional Project Executing Agency for the implementation of the project. The GEC is a Malaysian non-profit organization which has been working with the ASEAN Secretariat and ASEAN Member Countries for nearly 10 years to address the issue of peatland management and prevention of fires and haze. GEC together with ASEAN Sec were the founding members in the development of the APMI and APMS and have supported the development of the NAPS for peatlands in many AMCs. GEC was appointed by ASEAN member countries and IFAD as the Project Executing Agency for the preparation period of the current project in the period 2005-2008.

National Coordinator

Each Country shall nominate an appropriate official as a National Coordinator for the Project for official communication and day-to-day management of the Country Component of the Project. The National Coordinator (through the NPIC may appoint an National project Executing Agency (NPEA) or alternatively a administrative or technical support officer to support him/ her in the management of the Project.

National Project Implementation Committee (NPIC)

The National Project Executing Agency will guide the national coordinators in the implementation of the respective component of the overall project. Countries which have pilot sites may establish Local Project Implementation Committees (LPIC) to supervise site-level activities at the pilot sites. As far as possible appropriate existing state/ provincial/ local level committee will act as the LPIC, and will incorporate relevant stakeholders required for the effective implementation of the project. The LPIC will report to the NPIC.

National Project Executing Agency (NPEA)

The National Project Executing Agency will be responsible for the day to day implementation of the project at country level. The appointment of the NEAs will primarily be made by the respective national APMI/AATHP focal points in coordination with the RPEA and ASEC in line with agreed criteria. The NPEA reports to the NPIC for the progress of the project and also to seek strategic guidance and support as necessary.

Figure 1: Organizational Structure for Project Management & Implementation/ Execution Arrangements within the Project

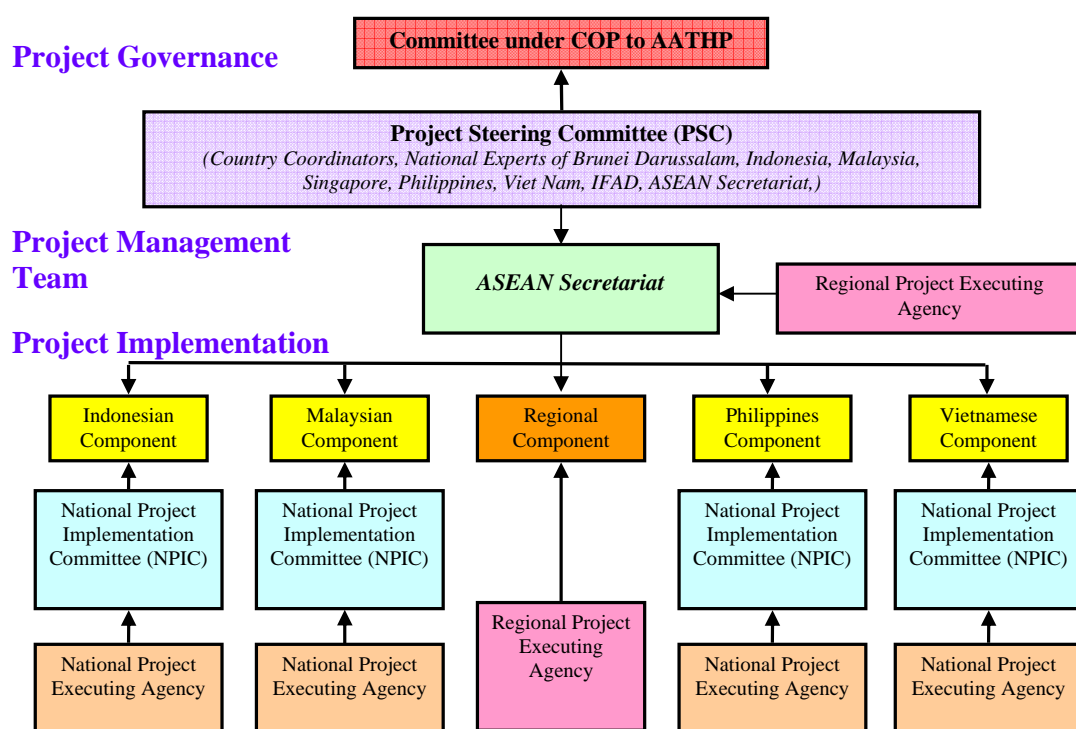


Table 1. Proposed Leading Agencies at National and Local Level for Respective Components

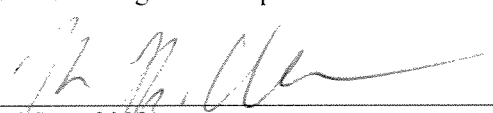
Country	Leading Agency under National Committee	Leading Agency under Local Committee	Private Sector
Indonesia	Ministry of Environment, Indonesia	Provincial Management Board of West Kalimantan, Riau and Central Kalimantan Provinces	Sinar Mas Group (APP) PT Diamond raya Timber Riau Andalan Pulp and Paper Oil palm Companies
Malaysia	Forestry Department Peninsular Malaysia, Ministry of Natural Resources and the Environment	Selangor State Forestry Department	Kumpulan Darul Ehsan Berhad Selangor state agriculture Development Corporation
Philippines	Protected Areas and Wildlife Bureau Department of Environment and Natural Resources (DENR)	Local Government Unit of Alang-Alang and the Protected Area Management Board through the Protected Area Superintendent (PASu)	
Viet Nam	Viet Nam Environment Protection Agency, Ministry of Natural Resources and Environment	Provincial People's Committee	

PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF:

The project design is very closely aligned with the original PIF. All of the main objectives, outputs, participating countries and agencies identified in the PIF are included in the project design. There is a slight variation in the GEF fund allocation due to an adjustment in the allocation from Viet Nam and there has been an adjustment in the level of co-funding which is formally committed at this stage. Some of the bilateral funding was in the form of grants already received by the project partners and which will be terminated before the anticipated start date of the project implementation.

Approval of other bilateral support from Australia has been deferred due to adjustments in strategy following the federal elections in late 2007. It is anticipated that additional co-funding will be confirmed prior to the project implementation as well as leveraged during implementation.

PART V: AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.	
Mr. Kevin Cleaver Assistant President Programme Management Department 	Dr. Khalida Bouzar Coordinator GECC, Programme Management Department Tel: +39.06.5459.2151 Email: k.bouzar@ifad.org
Date: 16 June 2008	Mr. Jesús Quintana Programme Officer GECC, Programme Management Department Tel: +39.06.5459.2210 Email: j.quintana@ifad.org
<i>Please do not forget to copy the IFAD/GEF registry on official communications, GECCregistry@ifad.org</i>	

ANNEX A: PROJECT RESULTS FRAMEWORK

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

Summary
OVERALL PROJECT GOAL: 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.
IMMEDIATE OBJECTIVE: 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.

Outcomes and Outputs	Objectively Verifiable Indicators			Means of Verification	Critical Assumptions
	Indicators	Baseline	Target		
OVERALL PROJECT OUTCOME 1: <hr/> Capacity and institutional framework for sustainable peatland management in South East Asia strengthened.	Level of action on peatlands as part of implementation of AATHP Existence of inter-sectoral policy and planning frameworks for integrated peatland management Level of capacity for integrated peatland management Range of financial mechanisms to support sustainable peatland management and rehabilitation Level of regional cooperation and exchange on peatland management	Limited implementation Non-existent at national and local levels; APMS endorsed at regional level Limited Lacking Limited	Action on peatland management as part of AATHP implementation in at least 2 countries Inter-sectoral policy and planning frameworks for peatland management prepared through the APMS/ NAP in at least 4 countries and at 4 pilot sites Capacity strengthened in at least 4 countries in the ASEAN region Increased number and range of options to support peatland management in the region Enhanced regional cooperation and exchange	Minutes/ Report of AATHP meetings Report to AATHP on APMS progress Training Needs Analysis/ Project Progress Report Project Progress Report Project Progress Report	All participating countries ratify the AATHP ASEAN Secretariat and member countries continue to support APMS Trained personnel remain in the region/ country to assist in achieving targets
OUTPUT 1.1 Inter-sectoral policy and planning frameworks for integrated peatland management strengthened at regional, national and local levels	Adoption and implementation of Regional and National Action Plans on Peatland Management Inclusion of peatlands in	NAPs yet to be adopted Limited issues on	National Action Plans for 4 participating countries adopted and implementation initiated by Y1 and APMS reviewed and revised by Y4 Incorporation of peatland	Report to AATHP on APMS progress Project Progress	Willingness of governments at national and local levels to continue to participate Willingness of

Outcomes and Outputs	Objectively Verifiable Indicators			Means of Verification	Critical Assumptions
	Indicators	Baseline	Target		
	sectoral policies	peatlands included	management into policies and plans related to forest and land-related resources to mainstream peatlands into the appropriate sectors in the four participating countries	Report	governments to adopt new policies on peatland management
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	Training Needs Analysis Report/ Project Progress Report	Willingness of agencies to share information for better management
	Number of awareness materials produced and disseminated in the region	Limited	At least 15 materials in 4 languages by Y3	Evaluation of awareness materials by the target audience	Local communities willing and motivated to participate
	Lessons learned from other national/ local sites documented to upscale learnings to a wider network	Limited	At least 10 activities in 4 countries using project training and awareness materials	Project Progress report/ Annual Report	
OUTPUT 1.3 Innovative financial mechanisms to support sustainable peatland management and rehabilitation established	Range of innovative finance mechanisms for peatland management	Not established	At least two Innovative finance mechanisms established in participating countries by Y4; one at regional by Y3	Project Progress Reports	Stakeholders willing to contribute to multi-donor fund
	Levels of funds available for peatland management	Limited	Significant increase in allocation by participating countries towards peatland management by Y4	Annual review of government resource allocations	Governments are willing to introduce innovative mechanisms
OVERALL PROJECT OUTCOME 2: Reduced rate of degradation of peatlands in South East Asia	Rate of degradation of peatlands by fire	To be determined at project start-up	Rate of degradation of peatlands by fire reduced through the reduction in number of fires at targeted peat areas	Technical reports/ Project Progress Report	No extreme El Niño event or environment disruption that could induce peat fires
	Measures for conservation of peatland biodiversity	Limited conservation measures at target sites	Conservation measures for peatland biodiversity enhanced at identified target sites	Project Progress Report	Willingness of stakeholders to accept guidelines and use them
	Guidelines for integrated peatland management	No local guidelines available	Guidelines for integrated peatland management being used by local planners in at least 3 countries	Project Progress Report	
OUTPUT 2.1 Status and trends of peatland degradation in parts of South East Asia determined	Status and trends of peatland degradation in South East Asia	Limited information available	Information on the status and trends of peatland degradation in	Project Progress Report	Access to data on peat areas, status and

Outcomes and Outputs	Objectively Verifiable Indicators			Means of Verification	Critical Assumptions
	Indicators	Baseline	Target		
	Number of studies on carbon storage and climate change impacts on peatlands	Limited None	parts of SEA determined Studies underway in 2 countries by Y4	Project Progress Report Articles and publications	trends made available by cooperating agencies
OUTPUT 2.2 Rate of degradation of peatlands by fire reduced	The existence of a peatland fire prediction and warning system Extent of peatland fire prevention measures being practiced (zero burning & controlled burning, and peatlands with drainage control measures)	Lacking To be determined at project start-up	System established by Y2 and operating in 2 countries by Y4 Local governments adopting fire prevention schemes for peatlands increased by 30% by Y3; recognition by 10% of local authorities of the need to address drainage by Y2 and 20% by Y5	Fire Hotspot maps Map of fire prone peatland areas Project Progress Report	Trained personnel are not transferred prematurely Continued willingness of local governments to address issue of peat fires
OUTPUT 2.3 Conservation measures for peatland biodiversity enhanced at identified critical sites	No. of peatland areas identified regionally for conservation Level of protection of peatland conservation areas	Limited information of priority peatlands for conservation Limited	List of peatlands important for biodiversity compiled in 3 countries by year 3 Priority sites for establishment of conservation areas on peatland agreed in at least 3 countries by Y4	Database of peatland areas for conservation Assessment reports Project Progress Reports	Government willing to designate identified peatlands as protected area
OUTPUT 2.4 Guidelines for integrated peatland management developed and promoted for peatland areas in the region	The availability of a local guide book for planners and developers for peatlands	None	Local guide book developed and disseminated to all countries by Y4	Progress Report	Ideas proposed are workable on the ground
OVERALL PROJECT OUTCOME 3: Integrated management and rehabilitation demonstrated and implemented at targeted peatlands	Role of demonstration sites in promoting good peatland management practices Existence of maintenance, integrated planning and rehabilitation activities at critical peatland sites	Limited Limited	Demonstration sites being used to promote upscaling of good practices in 3 countries Maintenance, integrated planning and rehabilitation activities implemented at least 4 critical peatland sites in 3 countries	Progress Reports Progress Reports	Expertise available to carry out the work in the demo sites

Outcomes and Outputs	Objectively Verifiable Indicators			Means of Verification	Critical Assumptions
	Indicators	Baseline	Target		
OUTPUT 3.1 Sustainable management options for peatlands showcased through demonstration sites	Regional network of pilot and demonstration sites	No network	Regional network established by Y3 and promoted in the region for technical visits; at least 10 sites in 3 countries designated by Y4	Progress Reports	Access to pilot and demo sites are not limited
OUTPUT 3.2 Maintenance and rehabilitation activities implemented in identified critical peatland sites (pilot sites) implemented	Implementation of rehabilitation measures Guidelines on peatland rehabilitation	Limited Available guidelines limited to specific sites	Rehabilitation successfully carried out in 100ha in project sites by Y4 Guidelines developed being widely used for rehabilitation and restoration of degraded peatlands Y3	Progress Reports/ Technical report on rehabilitation activities Progress Reports	
OUTPUT 3.3 Integrated Management Planning for identified critical sites developed and adopted	Number of Integrated Management Plans or Strategies for pilot sites	Limited plans for Integrated peatland management	Integrated Management Plans or Strategies adopted and/or revised at 3 pilot sites in at least 3 countries by Y3	Project Progress Reports	
OVERALL PROJECT OUTCOME 4: Local communities and the private sector actively contributing to sustainable peatland management	Private sector involvement in Integrated sustainable peatland management Local communities involvement with sustainable peatland management	Limited involvement Limited involvement	Private sector working in partnership for integrated sustainable peatland management through joint activities at three identified critical sites Local communities empowered for sustainable peatland management through poverty alleviation, alternative livelihoods and micro-financing at 2 sites	Project Progress Reports Project Progress Reports	
OUTPUT 4.1 Integrated sustainable peatland management implemented in partnership with the private sector through joint activities at identified critical sites	Development and use of regional guidelines for peatland plantation practices Level of support of the plantation sector for peatland management and buffer zone management	Limited guidelines available Limited	Guidelines developed by Y2 and adopted by the private sector by Y4 Logging company supporting forest management in buffer zone of concession by Y3 in 1 site in Indonesia Plantation sector actively contributing to peatland management, and rehabilitation activities by Y4 in 2 sites in Indonesia Peatland protection and rehabilitation incorporated into planning of private property	Report on Guidelines Indonesia Progress Report Report by provincial government Socio-economic surveys	Private sector has commitment to follow guidelines

Outcomes and Outputs	Objectively Verifiable Indicators			Means of Verification	Critical Assumptions
	Indicators	Baseline	Target		
			development by Y3 in 1 sites in Malaysia		
OUTPUT 4.2 Local communities empowered for sustainable peatland management through poverty alleviation, alternative livelihoods and micro-financing	Status of Community Forest Management in Kapuas Hulu District, W. Kalimantan	Non-existent	Community Forest Management Plan developed and being implemented by Y3	Project Progress Reports	Communities and other local stakeholders willing to participate
	Number of community livelihood activities	None in pilot sites	Community livelihood activities in at least 2 pilot sites by Y3	Progress reports	
	Status of a demonstration project in integrated sustainable peatland farming system in Rasau Jaya, W. Kalimantan	No project	Local community in Rasau Jaya implementing integrated sustainable peatland farming by Y2 and further develop into demonstration site by Y4	Integrated peatland farming plan documented & report	

OUTPUTS SUMMARY

OUTPUTS	Regional / Country Outputs ref.
<p>OUTPUT 1.1: Policy and planning frameworks for peatlands strengthened at regional and national levels</p> <p><u>SUB-OUTPUTS/ACTIVITIES</u></p> <p>1.1.1 Coordinated implementation of the APMS and NAPs supported</p> <p>1.1.2 Implementation of the National Action Plan on Peatlands effectively monitored and periodically reviewed in Indonesia</p> <p>1.1.3 Policy and planning framework for peatland management strengthened at national level in Malaysia</p> <p>1.1.4 The degradation of peatlands in Vietnam minimized through the implementation of the National Action Plan on Peatlands</p>	<p>REG 1.1</p> <p>IND 1.1</p> <p>MAL 1.1</p> <p>VIE 1.1</p>
<p>OUTPUT 1.2 Capacity for peatland management strengthened through training and awareness programmes</p> <p><u>SUB-OUTPUTS</u></p> <p>1.2.1 A regional programme for capacity building and raising awareness implemented to support the upscaling of good management practices</p> <p>1.2.2 Technical support and guidance to countries</p> <p>1.2.3 Awareness of integrated peatlands management in Indonesia enhanced</p> <p>1.2.4 Component activities technically supported and guided in Indonesia</p> <p>1.2.5 Capacity for peat management in Selangor State in Malaysia strengthened to support the up-scaling of good peatland management practices</p> <p>1.2.6 Peatland Education Centre at North Selangor PSF established in Malaysia</p> <p>1.2.7 Component technically supported in Malaysia</p> <p>1.2.8 Awareness of peatland management in Viet Nam raised</p> <p>1.2.9 A core group of peatland managers/ experts established in the Philippines, at national, local and community levels</p> <p>1.2.10 Peatland management enhanced by better coordination between concerned agencies and other stakeholders and appropriate policies developed in the Philippines</p> <p>1.2.11 Awareness of peatlands raised at national and local levels through an information and education campaign in the Philippines</p>	<p>REG 1.2</p> <p>REG 1.4</p> <p>IND 1.2</p> <p>IND 1.4</p> <p>MAL 1.2</p> <p>MAL 1.3</p> <p>MAL 1.4</p> <p>VIE 1.2</p> <p>PHI 1.1</p> <p>PHI 1.2</p> <p>PHI 1.3</p>
<p>OUTPUT 1.3 Level of resources available for peatland management in South East Asia enhanced</p> <p><u>SUB-OUTPUTS</u></p> <p>1.3.1 Sustainable resource mobilisation mechanisms for peatland management and rehabilitation in the region established</p> <p>1.3.2 Sustainable financial mechanism for peatland management established in Indonesia</p> <p>1.3.3 Sustainable financial mechanism for peatland management identified and secured in the Philippines</p>	<p>REG 1.3</p> <p>IND 1.3</p> <p>PHI 1.4</p>
<p>OUTPUT 2.1 Status and trends of peatland degradation in South East Asia determined</p> <p><u>SUB-OUTPUTS</u></p> <p>2.1.1 Regional collaboration on peatland carbon storage and climate vulnerability in the region stimulated</p> <p>2.1.2 Status and trends of Malaysian peatlands determined</p> <p>2.1.3 Management of peatlands in Vietnam enhanced</p>	<p>REG 2.3</p> <p>MAL 2.1</p> <p>VIE 2.1</p>

<p>OUTPUT 2.2 Rate of degradation of peatlands by fire reduced</p> <p><u>SUB-OUTPUTS</u></p> <p>2.2.1 Mechanisms for effective regional prediction and monitoring of peat fires strengthened</p> <p>2.2.2 Prevention and warning measures for peatland fire enhanced in Indonesia</p> <p>2.2.3 Incidence of forest fires in Rokan Hilir and Dumai districts, Indonesia significantly reduced</p> <p>2.2.4 Degradation of peatlands by fire in Selangor State in Malaysia reduced</p> <p>2.2.5 Effective fire prediction and control mechanism for peatland in Viet Nam developed</p>	<p>REG 2.1</p> <p>IND 2.2</p> <p>IND 2.3</p> <p>MAL 2.2</p> <p>VIE 2.2</p>
<p>OUTPUT 2.3 Conservation measures for peatland biodiversity enhanced</p> <p><u>SUB-OUTPUTS</u></p> <p>2.3.1 Regional priorities for peatland biodiversity conservation identified</p> <p>2.3.2 Priority peatlands for conservation and rehabilitation identified in Indonesia</p> <p>2.3.3 Peatlands suitable for sustainable use and conservation activities identified in the Philippines</p>	<p>REG 2.2</p> <p>IND 2.1</p> <p>PHI 2.1</p>
<p>OUTPUT 2.4 Sectoral guidelines for peatland management developed and promoted</p> <p><u>SUB-OUTPUTS</u></p> <p>2.4.1 Guidelines for integrated management of peatlands developed and promoted in the region</p> <p>2.4.2 Sectoral guidelines for peatland management developed and promoted in Indonesia</p> <p>2.4.3 Guidelines for integrated peatland management developed and promoted in Malaysia</p> <p>2.4.4 A local guide for planners and developers for peatlands and peatland buffer zones developed in Philippines</p>	<p>REG 2.4</p> <p>IND 2.4</p> <p>MAL 2.3</p> <p>PHI 2.2</p>
<p>OUTPUT 3.1 Sustainable management and rehabilitation of peatlands tested and showcased through pilot and demonstration projects</p> <p><u>SUB-OUTPUTS</u></p> <p>3.1.1 A regional network of demonstration sites established to share experiences and upscale best management practices</p> <p>3.1.2 Peatland management in Central Kalimantan contributing to regional experience</p> <p>3.1.3 Sustainable management options for peatlands showcased through demonstration projects in Malaysia</p>	<p>REG 3.1</p> <p>IND 3.5</p> <p>MAL 3.1</p>
<p>OUTPUT 3.2 Restoration and rehabilitation activities in selected peatland sites implemented</p> <p><u>SUB-OUTPUTS</u></p> <p>3.2.1 Rehabilitation of degraded peat swamp forest demonstrated in Raja Musa FR, Malaysia and adjacent buffer zone</p> <p>3.2.2 Hydrological regime restored and replanting carried out at the pilot sites by the community in Philippines</p>	<p>MAL 3.3</p> <p>PHI 3.2</p>
<p>OUTPUT 3.3 Integrated Management Planning for selected sites developed and adopted</p> <p><u>SUB-OUTPUTS</u></p> <p>3.3.1 Masterplan for Sustainable Peatland Management in Riau implemented through multi-stakeholder partnerships in Indonesia</p> <p>3.3.2 Kampar Peninsular Sustainable Peatland Management Program operating in Indonesia</p> <p>3.3.3 Siak Peatland Biosphere (SPB) Reserve established in Indonesia</p> <p>3.3.4 District Action Plan on Peatlands in West Kalimantan implemented</p> <p>3.3.5 Incidence of forest fires in Central Kalimantan significantly reduced in Indonesia</p> <p>3.3.6 Integrated management strategies for NSPSF and buffer zone adopted in Malaysia</p>	<p>IND 3.1</p> <p>IND 3.2</p> <p>IND 3.4</p> <p>IND 3.3</p> <p>IND 3.6</p>

<p>3.3.7 Support the implementation a site management plan for UMTNP in Viet Nam</p> <p>3.3.8 Land use planning activities including interactive consultations and zoning of land use at the project pilot sites developed and implemented in Philippines</p>	<p>MAL 3.2</p> <p>VIE 3.1</p> <p>PHI 3.1</p>
<p>OUTPUT 4.1 Integrated sustainable peatland management showcased with support from the private sector</p> <p><u>SUB-OUTPUTS</u></p> <p>4.1.1 Guidelines for responsible management of existing oil palm and forest plantation on peatland developed and tested in the region</p> <p>4.1.2 Plantation sector actively contributing to sustainable peatland management in Riau province in Indonesia</p> <p>4.1.3 Sustainable peat swamp forest management demonstrated in Rokan peatlands in Indonesia</p> <p>4.1.4 Sustainable economic activities in buffer zone of NSPSF in Malaysia enhanced</p>	<p>REG 4.1</p> <p>IND 4.1</p> <p>IND 4.2</p> <p>MAL 4.1</p>
<p>OUTPUT 4.2 Local communities and other stakeholder engaged in sustainable peatland management</p> <p><u>SUB-OUTPUTS</u></p> <p>4.2.1 Community forest management demonstrated in Nung Peat Swamp Forest, Kapuas Hulu District, West Kalimantan in Indonesia</p> <p>4.2.2 Integrated sustainable peatland farming system demonstrated in Rasau Jaya Peatlands, West Kalimantan in Indonesia</p> <p>4.2.3 The local community at UMTNP less dependant on peatlands for their livelihood in Viet Nam</p> <p>4.2.4 Demonstration projects in sustainable use of peatlands at the pilot sites managed by local people developed and implemented in the Philippines</p>	<p>IND 4.3</p> <p>IND 4.4</p> <p>VIE 4.1</p> <p>PHI 4.1</p>

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF)

GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS¹

Country/Region: Regional – Indonesia, Malaysia, Philippines, Vietnam, Brunei, Singapore/Asia
 Project Title: SFM - Rehabilitation and Sustainable Use of Peatland Forests in South-East Asia
 GEFSEC Project ID: 2751
 GEF Agency Project ID: GEF Agency: IFAD
 GEF Focal Area (s): Land Degradation, Biodiversity
 GEF-4 Strategic Program (s): SFM
 Anticipated Project Financing (\$ million): PPG: 0.34(GEF-3 money) GEF Project Allocation: 4.964 Co-financing: 12.577 Total Project Cost: 17.54
 PIF Approval Date: Anticipated Work Program Inclusion: November 2007
 Program Manager: Andrea Kutter GEF Agency Contact Person: Khalida Bouzar

Review Criteria	Questions	Secretariat Comment at PIF/Work Program Inclusion ²	Response to Comments at time of submission
Eligibility	1. Is the participating country eligible?	yes	
	2. Has the operational focal point endorsed the project?	Yes; all FPs, except Vietnam, have endorsed specific amounts from their RAF allocations. Please provide the FP endorsement letter for Vietnam.	Viet Nam FP has provided letter of endorsement. (18/12/08)
	3. Which GEF Strategic Objective/ Program does the project fit into?	LD FA/ SP-2; SFM With elements of SO-1 on strengthening the enabling environment for SFM. Please make sure that the project focuses on upscaling good peatland management practices and not on piloting since the scope of SO-2 in the LD FA is on achieving impact by disseminating good practices at larger scales. It is suggested to revise the project objective accordingly.	Adjustments have been made to ensure the project documents clarify that the project does intend to upscale good peatland management through replicating and sharing lessons learned from pilot sites to a network of sites in the region. Policy and institutional framework is also being strengthened through the project to ensure that good peatland management practices is up-scaled into and considered in related policies.
	4. Does the Agency have a comparative advantage for the project?	Section H on “Justify the GEF Agency Comparative Advantage” is missing.	Section H has now been completed.

¹ Some questions here are to be answered only at PIF or CEO endorsement. Please do not answer if the field is blocked with gray.

² Work Program Inclusion (WPI) applies to FSPs only. Submission of PIF of FSPs will simultaneously be considered for WPI. For MSPs, once the PIF is approved by CEO, next step will be to continue project preparation until the project is ready for CEO approval.

Resource Availability	5. Is the proposed GEF Grant (including the Agency fee) within the resources available for (if appropriate):		
	• The RAF allocation?	Yes (except Vietnam's endorsement of the amount of US\$435,358)	Viet Nam has allocated USD100,000 each from its Biodiversity and Climate Change Allocations. (Total USD200,000)
	• The focal areas?	LD: 2.2million BD RAF countries: 2.76million	
	• Strategic objectives?	yes	
	• Strategic program?	yes	
Project Design	6. Will the project deliver tangible global environmental benefits?	<p>Yes.</p> <p>GEB relate to the reduction in the rate of forest degradation and thus, the improvement of ecosystem services related to biodiversity, carbon storage and climate regulation.</p> <p>During project development, it needs to be discussed how these benefits can be measured (indicators and means of measurement).</p>	<p>The rate of degradation of peatlands will be measured in terms of the number and proportion of fires annually at a particular project site and this will be compared to the sites within the same district where the project is not focused (the control for the rate of degradation). Comparisons of the number and proportion of fires can also be made between peatlands sites that have been drained (i.e. a control) with those that have with drained and restored under the project. One of the important tools will be a system to monitor the status and trends of peatlands in the region which will be strategic in influencing policy decisions and allocation of resources. During project implementation, further information on the status and trends of peatlands in the region will be gathered through this system to form a more definite baseline for the project, upon which the success of project activities can be measured. The information on carbon stocks and emission is expected to be important in the global negotiations related to climate change, both in terms of below ground (in the peat) and above ground (in the vegetation). The project will aim to monitor carbon stocks and emissions through the use of maps on the peat areas in the region and hotspot maps, with the assistance of ASEAN Specialised Meteorological Centre (ASMC) in Singapore.</p>
	7. Is the global environmental benefit measurable?		

	<p>8. Is the project design sound, its framework consistent & sufficiently clear (in particular for the outputs)?</p>	<p>The regional approach is well justified since the involved countries share similar issues related to peatland forests.</p> <p>The root causes for peatland degradation are not identified under section A in Part II. This needs to be added to better understand whether the project design reflects on the main barriers to sustainable use of peatland resources in the involved countries.</p> <p>The logical framework needs to be fine-tuned since there is no clear distinction between outcomes and outputs.</p> <p>The project needs to work together closely with the upcoming project on developing a methodology for estimating carbon and other GHG-related benefits from land use activities in order to properly monitor the carbon benefits related to peatlands.</p>	<p>This has been included in the revised PIF.</p> <p>Further details on the logical framework are included in the Request for CEO Endorsement and Project Document which distinguish the outcomes and outputs.</p> <p>The Project looks forward to working in collaboration with this upcoming project and any other project on information sharing and exchange.</p>
	<p>9. Is the project consistent with the recipient country's national priorities and policies?</p>	<p>Yes,</p> <ul style="list-style-type: none"> - ASEAN peatland Management Strategy endorsed by 10 ASEAN countries; - Linked to NAPs and BAPs as well as National Wetland Plans and National Communications. <p>During the project preparation, efforts have to be made that peatland management is also addressed through plans and policies dealing with forest or land-related resources in order to mainstream issues related to peatlands into the appropriate sector ministries.</p>	<p>The development of National Action Plans for Peatlands for the participating countries has provided a platform to stimulate discussion and influence policy makers and planners to mainstream issues related to peatlands. At pilot sites, the project has initiated and will further develop master plans/ action plans which will further mainstream peatland issues.</p>
	<p>10. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>Yes.</p> <p>Please also explore if the SGP has any experience with community-based management of peatlands which might be up-scaled.</p>	<p>In Indonesia and in the other countries, effort will be made to upscale and replicate lessons learnt from community-based management of peatlands through canal blocking, paying for environmental services (RUPES) etc. There is no specific SGP experience in the region at present.</p>
	<p>11. Is the proposed project likely to be cost-effective?</p>	<p>Yes, main arguments are convincing and will be further developed during project preparation.</p>	<p>Please refer to section on cost-effectiveness in Request for CEO Endorsement and Project Document.</p>
	<p>12. Has the cost-effectiveness sufficiently been demonstrated in project design?</p>		

	13. Is the project structure sufficiently close to what was presented at PIF?			
	14. Does the project take into account potential major risks, including the consequences of climate change and includes sufficient risk mitigation measures?	As pointed out, since the introductory section doesn't mention any root causes of peatland degradation, it is difficult to say if the identified risks should be better part of the project and thus proactively addressed or just monitor as suggested as potential risks.	Section on risks now included in PIF/ CEO Endorsement and Project Document.	
Justification for GEF Grant	15. Is the value-added of GEF involvement in the project clearly demonstrated through incremental reasoning?	This section needs improvement. Following the presentation, the entire project would be incremental. It would be useful to describe in this section the expected value added by involving the GEF in the context of ongoing or planned activities in the countries regarding peatland management. There will be considerable local benefits associated with this project if the governments recognize the potential of peatlands.	Please refer to Appendix A of Project Document for details on Incremental Reasoning for the Project.	
	16. How would the proposed project outcomes and global environmental benefits be affected if GEF does not invest?			
	17. Is the GEF funding level of project management budget appropriate?	Yes, 10%. Project mgt is co-financed with US\$1.35million (75% of the total mgt. budget).	Project mgmt remains at 10% (USD430,000) with a co-financing of USD877,750.	
	18. Is the GEF funding level of other cost items (consultants, travel, etc.) appropriate?		Information on personnel cost for management and technical staff have been included in the Request for CEO Endorsement.	
	19. Is the indicative co-financing adequate for the project?	Yes, although it is worrisome that almost all contributions are in-kind. Even IFAD does not associate a loan with this project – only an in-kind contribution.		
	20. Are the confirmed co-financing amounts adequate for each project component?			
	21. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		The M&E Plan is included in the Request for CEO Endorsement and details (including costing) are appended in the Project Document (Appendix D).	
	Secretariat's	STAP	Similar issues have been raised in the STAP review. These issues need to be addressed in	See comments below.

Response to various comments from:		the revised version of the PIF.	
	Convention Secretariat	Not received	
	Agencies' response to GEFSEC comments		
	Agencies' response to Council comments		See comments below
Secretariat Decisions			
Recommendations at PIF	22. Is PIF clearance being recommended?	Not at this time. A resubmission is recommended that takes into account the issues raised in this review and by STAP.	
	23. Items worth noting at CEO Endorsement.		
Recommendation at CEO Endorsement	24. Is CEO Endorsement being recommended?		

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	n/a
	2. Is itemized budget justified?	n/a
	3. Is the consultant cost reasonable?	n/a
Recommendation	4. Is PPG being recommended?	
Other comments		

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Scientific and Technical Advisory Panel

The Scientific and Technical Advisory Panel, administered by UNEP, advises the Global Environment Facility
(Version 4)

STAP Scientific and Technical screening of the Project Identification Form (PIF)

Date of screening: September 11, 2007 Screener: Douglas Taylor, STAP Secretary
Panel member validation by: Paul Ferraro and Michael Stocking

I. PIF Information (Paste here from the PIF)

Full size project GEF Trust Fund

GEFSEC PROJECT ID: 2751

GEF AGENCY PROJECT ID: not applicable at this stage

COUNTRY(IES): Regional/multi-country: Indonesia, Malaysia, Philippines and Vietnam, plus Brunei* and Singapore*

PROJECT TITLE: Rehabilitation and Sustainable Use of Peatland Forests in South-East Asia

GEF AGENCY(IES): IFAD

OTHER EXECUTING PARTNER(S): ASEAN Secretariat, Global Environment Centre

GEF FOCAL AREA (S): Land Degradation, Biodiversity, Climate Change

GEF-4 STRATEGIC PROGRAM(S): LD-SP2, BD-SP 4, CC-SP 6

NAME OF PARENT PROGRAM/UMBRELLA PROJECT: SFM

II. STAP PIF Screening (based on Part I A Project Framework and Part II Questions of the PIF)

Background logical consistency informing STAP's scientific and technical screening:

1. Is the Project Objective consistent with the Problem/ Issue? YES
2. Are the expected outcomes consistent with the Problem/ Issue? YES
3. Global environmental benefits scientifically valid? YES

Relevant Scientific and Technical issues contained in proponent responses to Questions A to H

4. Problem definition scientifically valid? YES
5. Proposed intervention scientifically justified? UNKNOWN - *If "No" or "Unknown" explain: Some components are clearly justified, but scientific baselines are unclear and project success would be hard to measure - yet there are many process indicators*

Response: During project implementation, further information on the status and trends of peatlands in the region will be gathered through a system to monitor peatlands. This will then form a more definite baseline for the project, upon which the success of project activities can be measured. The Project logical framework has been modified to identify indicators that can be measured, in addition to process indicators. However, the Project does weigh heavily on stimulating better processes for peatland management, and thus the justification for process indicators.

6. Methodology proposed:

Is there a scientifically valid baseline? UNKNOWN

Is a scientific control explicitly included? NO

Is there scientific or technical innovation? NO

Is the methodology replicable? YES - *If any of the above are marked "No" or "Unknown" explain: "Reduced rate of degradation" cannot be measured without a control. Methodologies for reducing rate of peat loss are well-known and replicable, therefore innovation in peatland conservation methods unlikely. Claimed innovative finance is not substantiated.*

Response: The rate of degradation of peatlands will be measured in terms of the number and proportion of fires annually at a particular project site and this will be compared to the sites within the same district where the project is not focused (the control for the rate of degradation). Comparisons of the number and proportion of fires can also be made between peatlands sites that have been drained (i.e. a control) with those that have with drained and restored under the project. Although the methodology for reducing peat degradation might have been identified by earlier studies - such information is not adequately disseminated to key stakeholders in the SE Asian region. In addition, there is a need for better information on the priority sites for the conservation of peatland biodiversity as well as manuals on how to implement integrated peatland management approaches which help to reduce peatland

degradation. Innovation in the methodology employed will come in the form of the application of the broader principles of integrated peatland management to suit the local situation and up-scaling the experience with community-based management of peatlands. Details of the innovative financial mechanisms to be tested are discussed in the Project Document, and further details will be explored during project implementation.

7. Is the incremental reasoning scientifically valid? UNKNOWN - *If “No” or “Unknown” explain: Broad and generic claims are made regarding GEF intervention. The planned pilots will not necessarily lever benefits more widely, and it is unclear how the proposed technical interventions will be taken up by society and government.*

Response: Implemented under the purview of the APMS and the APMI, the institutional frameworks supporting the interventions in the project are strong, valid and described further in the Project Document. Government departments and agencies will be fully responsible for implementing the interventions (including technical interventions) at the country and local levels with support from the regional project team, which will ensure sustainability and replicability of project interventions to upscale learnings and mainstream peatland management into related policies and plans. Further incremental reasoning is presented in Appendix A of the Project Document.

8. Are the risk statements scientifically valid and comprehensive? NO
If “No” explain: The choice of project partners may limit the replicability of the pilot site intervention outputs, leading to limited impact on forest peat conservation.

Response: The Project, through its four country components and a regional component, will work in collaboration with a very wide range of stakeholders and partners including, private sector, local governments, NGOs, provincial governments, national governments, regional intergovernment organizations and global conventions. This broad stakeholder engagement is expected to lead to significant outreach and positive impact on conservation and rehabilitation of peatland forests. It will increase awareness of the need for a multi-sectoral approach to peatland management (i.e. integrated) and thus involve a range of agencies in its intervention, especially at the pilot sites. Learnings from pilot-testing will be up-scaled through the regional network and e-newsletters and web portals to increase capacity and knowledge on peatland management in the region.

III. STAP Advisory Response *(see next page for explanation)*

9. Based on this PIF screening, STAP recommends the following action to the GEF Secretariat and GEF Agency (ies): **No objection, but follow-up action required**

IV. Further guidance from STAP

10. Follow-up action would be for the proponent and STAP to clarify the project design and to agree to address the outstanding scientific and technical issues raised. At a scientific and technical level the techniques to be used are well-known and successful at local level, but the policy leverage and choice of actors to achieve this is not clear. Innovative finance tools are not specified. Outputs 1.1 and 2.1 are broad claims, and the methodology does not appear to support these. STAP recommends that the effectiveness of the proposed interventions should be tested and ascertaining whether the suggested outcomes could be realized. Other concerns are Important issue here is that the status and trends of peatland degradation are to be assessed – again not clear whether that will be in the peat (i.e. below-ground) or vegetation (above-ground). We do not know in what way the project will link to other initiatives on wetlands/ peatlands, of which there are many. An aim is to increase carbon storage – therefore a baseline needs establishing and tracking during project lifetime.

Response: Outputs 1.1 and 1.2 have been adjusted to ensure that the indicators are measurable. The information on carbon stocks and emission is expected to be important in the global negotiations related to climate change, both in terms of below ground (in the peat) and above ground (in the vegetation). The project will aim to monitor carbon stocks and emissions through the use of maps on the peat areas in the region and hotspot maps, with the assistance of ASEAN Specialised Meteorological Centre (ASMC) in Singapore. The Project Document details many of the points raised here, especially regarding the policy leverage and the choice of actors (both at regional and country/ local levels). Please also see above for response to some of the points raised here.

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
1. No objection	STAP has no scientific/technical grounds to object to the approval of the concept. However, in Section IV, STAP may state its views on the concept emphasising any issues that could be improved and the proponent is invited to approach STAP for advice at any time during the development of the project brief prior to submission.
2. No objection, but follow-up action required.	<p>STAP has no objection to the approval of the PIF, but has identified specific scientific/technical suggestions or opportunities, stated in section IV, that should be discussed with the proponent as early as possible during development of the project brief. One or more options that remain open to STAP include:</p> <p>(i) Opening a dialogue between STAP and the proponent to clarify issues</p> <p>(ii) Setting an independent expert review point during early stage project development and agreeing terms of reference for this review</p> <p>The proponent should provide the report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.</p>
3. Objection	STAP objects to the approval of the PIF on the grounds of specified major scientific/technical faults in the concept. If STAP provides this advisory response, a full explanation would also be provided. In the case of the project concept nevertheless being approved by the CEO of the GEF for development of the full project brief, a STAP review should be mandatory prior to submission of the project brief for CEO endorsement.

COMPILATION OF TECHNICAL COMMENTS SUBMITTED BY COUNCIL MEMBERS ON WORK PROGRAM APPROVED BY COUNCIL ON NOVEMBER 16, 2007

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.31/8)

36. Regional (Indonesia, Malaysia, Philippines, Vietnam, Singapore, Brunei) : SFM Rehabilitation and Sustainable Use of Peatland Forests in South-East Asia [IFAD]

COMMENTS FROM FRANCE

172. The project aims at ensuring the protection and the conservation of the peatland forests in Southeast Asia. The actions implemented by the project aims at strengthen the capacities of management for local stakeholders, in particular local communities, to reduce degradation of these ecosystems and put in place management plan.

173. **Opinion: favorable with the following remark:** In terms of biodiversity protection the project is relevant. However, it is needed to secure the strong involvement of local authorities in the project and, in particular, of their willingness to preserve these ecosystems.

Response: The institutional framework supporting the interventions in the project is described in the Project Document. The Project will be implemented under the framework of the APMS and the APMI, which provides a longer-term vision for the project interventions. Government departments and agencies will be fully responsible for implementing the interventions (including technical interventions) at the country and local levels with support from the regional project team and the ASEAN Secretariat. At the pilot sites, the local government agencies and local communities will be involved and master plans for integrated peatland management and development will be produced to ensure the protection of peatland ecosystems in the longer-term.

COMMENTS FROM THE UNITED STATES

• This is another strong project as it firmly takes an integrated forest management approach, with clear climate benefits. It also addresses the key issue of fire in managing carbon emissions. We also like the attention to monitoring and assessment, stakeholder participation, and NTFPs. Placing it under ASEAN is encouraging, and we recommend that the project collaborate with other processes, such as the Asia Forest Partnership.

Response: The Project will seek to collaborate with other initiatives at the regional, country and local levels during project implementation, including processes such as the Asia Forest Partnership.

• We support the intent to raise private sector co-financing and the final project document should address how the project will raise this funding.

Response: Some of the opportunities at private co-financing of the Project were affected due to the delay in its approval and implementation. Private co-financing is raised from oil palm plantation companies and pulp and paper companies who are key stakeholders in peatlands being developed for oil palm plantations. In principle commitments have been provided by a number of Private sector organizations and associations, but the formal allocation of funds will be made at the time of project inception and will also be leveraged during the period of implementation.

• We also believe a stronger approach will be needed to address the risks identified in section F.1 related to governance, enforcement, and civil society participation. In particular, we don't understand how "coordination with national and local government agencies" will overcome problems of weak enforcement of policies and regulations. How will the project improve enforcement?

Response: At the local level, the Project will coordinate with national and local government agencies to form community-level fire-fighting teams who will be equipped to fight fires as soon as they start. This arrangement, combined with better drought prediction and fire prevention measures (such as zero burning, alternative land preparation methods etc), will help to control fires and ensure that policies and regulations are better enforced. At the national level, the Project will work to ensure that proper guidelines are put in place to ensure that integrated peatland management is being practiced.

ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT*

Position	Cost/ week	No of weeks	Tasks to be performed
Management personnel			
Local/Regional (ie national of participating countries)			
RPEA project manager	1,500	17.3	Project management
RPEA Project coordinator	1,100	71	Project coordination and administration
Project officer- ASEC	250	96	Coordinating ASEC related project activities
Admin support services	250	192	Admin support services for regional and overall activities
Accounting services	175	189	Accounting support services for regional and overall activities
Audit-Regional&country	500	39.20	Auditing
Indonesia Admin/Account support staff	75	144	Admin and finance support of Indonesian component
Malaysia Admin/ account support staff	100	96	Admin and finance support of Malaysian Component
Philippines Admin/account support staff	60	48	Admin and finance support of Philippines Component
Vietnam Admin/account support staff	50	48	Admin and finance support of Vietnam Component

Position Title	Cost/ week	No of weeks	Tasks to be performed
Technical Personnel			
Local/Regional consultant			
Regional component			
Technical support officer-ASEC	250	96	Technical support for project implementation and coordination of implementation of APMS & NAP
Training/info officer	500	36.8	Facilitate and support TOT training & exchange programmes
Technical Manager	1,500	36	Project technical manager overseeing regional activities
Technical Coordinator	1,100	80	technical coordination - support for technical implementation
Snr Officer	1,000	10	Support- polluter pay/user pay, tax incentive, economic evaluation
Snr Officer	1,000	20	Compile, analyse and monitor data from each ASEAN country on peatland degradation issues
Project Officer	750	44	Collate, disseminate best practice for integrated planning; Compile, disseminate information on regional protected peatlands; Organize meetings/exchange; help assess the vulnerability of peatlands to climate change
Snr Regional expert	1,750	6	Provide technical support & capacity building to ASEAN countries on peatland management
Regional expert	1,500	13	Support establishment of a multi-donor trust fund and explore polluter pay/user pay, tax incentives etc.,
Regional expert	1,250	8	Identify priorities for biodiversity conservation & promote establishment of networks
Regional expert	1,250	12	Assess the vulnerability of peatlands to climate change and role of peatlands in carbon storage and

Position Title	Cost/week	No of weeks	Tasks to be performed
			sequestration
Snr Project Officer	1,000	20	Provide input to consultation with the plantation sector in partnership with RSPO, to develop and test guidelines
Indonesia-Technical			
Technical Support Officer	250	192	Support technical project implementation
Field officer Riau	200	192	Support field implementation in Riau province
Information/field officer	200	192	Support information collation/outreach at national level and implementation in Kalimantan
Short term local experts	750	100	Support implementation activities including training, awareness, development of guidance and management plans, private sector engagement etc.
Short term snr local experts	1,250	50	
Short term snr regional experts	1,600	20	
Malaysia-Technical			
Technical Support Officer	450	192	Support technical project implementation
Information/field Officer	300	176	Support the implementation of activities at the pilot site and support information exchange
Short term local experts	1,250	40	Support implementation activities including training, awareness, development of guidance and management plans, rehabilitation, private sector engagement etc.
Short term snr local expert	1,500	20	
Philippines -Technical			
Technical support officer	100	96	Support technical project implementation
Short term experts (local)	1,000	15	Policy/Legal and institutional specialist; Training and facilitation specialist; IEC specialist; Land Use planning; other
Translator	750	7	Translation of awareness materials
Vietnam -Technical			
Technical support officer	125	96	Support technical project implementation
Short term expert input	750	15	Policy specialist; community development specialist; Training and facilitation specialist; restoration; other
Regional experts - Training on peatlands	1,500	7	Training on peatland assessment and rehabilitation
International Consultants			
Snr Technical Advisor	2,500	24	Snr technical advisor, providing overall technical guidance and specific inputs on biodiversity, climate change and peatland management.
Peatland assessment and management expert	1,500	7	Training on peatlands, validation of surveyed peatlands, Peatlands rehabilitation and planning
International expert-short term expert input	1,750	8	Establish a multi-donor trust fund
International expert	2,000	8	Develop guidance for climate funding for peatland mgt.
Expert input	2,000	6	Develop guidelines for responsible mgt of existing oil palm

* from GEF resources

ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN.

The objective of the **PDF** grant (to develop a project endorsed by the governments for funding by GEF and other sources) was achieved through the activities undertaken – namely to support local national and regional consultations, to identify priority actions to address the degradation of peatlands, and to formulate a regional project to address priority issues.

B. DESCRIBE IF ANY FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION. All of the findings were supportive of the development of a regional project to address the degradation of peatlands in relation to biodiversity and climate change.

C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:

<i>Project Preparation Activities Approved</i>	<i>Implementation Status</i>	<i>GEF Amount (\$)</i>				<i>Co-financing (\$)*</i>
		<i>Amount Approved</i>	<i>Amount Spent To-date</i>	<i>Amount Committed</i>	<i>Uncommitted Amount*</i>	
Multi-country, National and local stakeholder meetings and Consensus building.	completed	60,000	60,715	0	0	50,000
Support for review and development of regional and national institutional frameworks including the ASEAN Peatland Management Strategy and National Action plans.	completed	85,000	84,236	0	0	55,000
Assessment of potential sites for project activities, best management and financing options	completed	85,000	84,926	0	0	40,000
Develop the full project proposal including development of a monitoring and evaluation system	completed	110,000	110,123	0	0	70,000
TOTAL		340,000	340,000	0	0	215,000

* Note the co-funding amount was more than earlier anticipated as a result of the extended preparation period (caused by changes in GEF 4 priorities and procedures)