



REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: FULL-SIZED PROJECT

TYPE OF TRUST FUND: GEF TRUST FUND

PART I: PROJECT INFORMATION

Project Title: Improving Connectivity in the Central Forest Spine (CFS) Landscape – IC-CFS			
Country(ies):	Malaysia	GEF Project ID: ¹	4732
GEF Agency(ies):	UNDP	GEF Agency Project ID:	4594
Other Executing Partner(s):	Ministry of Natural Resources and Environment (NRE)	Submission Date:	December 5, 2013
		Resubmission Date:	January 21, 2014
GEF Focal Area (s):	Multifocal area	Project Duration(Months)	72
Name of Parent Program (if applicable):	N/A	Agency Fee (\$):	1,086,000
	• For SFM/REDD+ <input checked="" type="checkbox"/>		

A. FOCAL AREA STRATEGY FRAMEWORK²

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
BD-2	Outcome 2.1: Increase in Sustainably managed landscapes and seascapes that integrate biodiversity conservation	Output 2.1: Policies and regulatory frameworks (2) for production sectors Output 2.2: National and sub-national land-use plans (3) that incorporate biodiversity and ecosystem services valuation	GEF TF	6,662,000	25,074,812
LD-3	Outcome 3.1: Enhance cross-sector enabling environment for integrated landscape management Outcome 3.3: Increased investments in integrated landscape management	Output 3.1: Integrated land management plans developed and implemented Output 3.2: INRM tools and methodologies developed and tested Output 3.3: Appropriate actions to diversify the financial resource base	GEF TF	1,095,000	4,270,000
SFM REDD+ -1	Outcome 1.2: Good management practices applied in existing forests	Output 1.1: Three PES systems established Output 1.2: 693,500 of forest under sustainable management Output 1.3: 1.49 million tC emissions avoided and 17,600 tC/yr sequestered through SFM	GEF TF	2,588,000	5,405,188
Sub-Total				10,345,000	34,750,000
Project Management Costs			GEF TF	515,000	1,750,000
Total project costs				10,860,000	36,500,000

¹ Project ID number will be assigned by GEFSEC.

² Refer to the [Focal Area/LDCF/SCCF Results Framework](#) when completing Table A.

B. PROJECT FRAMEWORK

Project Objective: to increase federal and state level capacity to execute the CFS Master Plan through the implementation of sustainable forest landscape management plans in three pilot sites, financed sustainably through the diversification and increased allocation of funds for conservation

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
1: Planning, compliance monitoring and enforcement framework for integrated forest landscape management	TA	<p>1.1: Strengthened institutional capacity of the federal government to oversee implementation of the CFS Master Plan, ensuring compliance by sub-national actors, and monitoring impacts upon biodiversity, ecosystems and carbon stocks, indicated by: (i) No net-loss of 4.2 million ha natural forest cover of 3 largest forest blocks of CFS; (ii) Increase in the score of CFS Capacity Development Scorecard from the baseline score of 12 to 22; (iii) Existence of environmental monitoring and management systems applicable to landscape management planning and; (iii) Application of environmental monitoring and management tools for landscape management planning and monitoring of compliance to CFS Master Plan</p> <p>1.2: Enhanced wildlife crime law enforcement and wildlife monitoring capacity emplaced at the national and state level and in target forest landscapes to ensure reduction of wildlife crime, indicated by: (i) 20% increase in tiger populations in source PAs from 0.3 individuals per 10,000 ha; and (ii) increase in the percentage of recorded wildlife crime cases that are prosecuted and convicted in court from the current 13% to 70%</p>	<p>1.1.1: A biodiversity indicator taskforce established, coordinated by the NRE, to accurately calculate and monitor the BII of the CFS and enhance the applicability of the National Biodiversity Clearing House Mechanism for use in landscape management planning</p> <p>1.1.2: The environmental management and mitigation measures hierarchy (avoid-minimize-mitigate-offset) incorporated into landscape management planning and management protocols, building on EIA and other tools</p> <p>1.1.3: ICT-based ecosystem service valuation tools introduced for valuing ecosystem services in target forest landscapes, with models for determining trade-offs between land use options based on the values of ecosystem services and other land uses</p> <p>1.1.4: A GIS-based decision support system for landscape management planning adopted, incorporating information on current land uses, local communities, biodiversity, carbon stocks, ecosystem services and their valuation</p> <p>1.1.5: The management capacity and operations of the existing national CFS steering and technical committees strengthened through training in the use and application of the above tools in order to efficiently supervise state-level CFS technical committees in CFSMP implementation</p> <p>1.2.1: A wildlife crime intelligence unit established and fully resourced to control and analyse all intelligence data</p> <p>1.2.2: Monitoring and reporting mechanisms and protocols in place for efficient transfer of information between law enforcement agencies and relevant departments</p> <p>1.2.3: Capacity built at community level for wildlife and forestry crime</p>	GEF TF	3,659,500 (BD:3,331,500, LD:328,000)	12,500,000

			<p>monitoring and reporting across all priority sites, to increase law-enforcement presence</p> <p>1.2.4: State official capacity built for wildlife and forestry crime monitoring, interception and conviction through the formation of state-level WCUs and strengthened operational resources and practices</p>			
2: Sustainable landscape management operationalised in three priority forest complexes within the CFS	INV	<p>2.1: Biodiversity and ecosystem service provision is mainstreamed in forest landscape management in the three focal landscapes via sustainable forest landscape management plans, resulting in improved status of biodiversity and ecosystem services, indicated by: (i) actual operationalization of multi-stakeholder landscape management plan; (ii) GEF Land Degradation-3 Tracking Tool score from the baseline of 5 to 9; (iii) Status of biodiversity in the CFS using Biodiversity Intactness Index (BII) from the preliminary score of 48-68% (to be further refined during the 1st year)</p> <p>2.2: Corridor establishment increases connectivity of critical ecological linkages identified in the CFSMP and supports carbon emission avoidance and sequestration under SFM practices, indicated by: (i) increase in GEF SFM-REDD+ tracking tool score from 6 to 10; (ii) Avoided emissions of 1.49 million tC due to 20,000 ha gazetted³; 17,600tC/yr due to ARR activities in 4,000 ha⁴; (iii)</p>	<p>2.1.1: Capacity strengthened at state level for CFSMP implementation and management in focal landscapes</p> <p>2.1.2: Preliminary site-specific management plans developed for each forest landscape in support of current plans, with stakeholder participation, to be finalised according to sustainable financing options established under Component 3</p> <p>2.1.3: Integration of biodiversity, ecosystem service and carbon stocks monitoring protocols (under outputs of Component 1) piloted in the management of the focal landscapes</p> <p>2.2.1: Rehabilitation of at least 4,000 ha of semi-degraded forest landscape in line with ARR methodology, using a mix of native species, in accordance with current plans within the CFSMP (funded from SFM)</p> <p>2.2.2: Gazettement of critical corridor forest of at least 20,000 ha, to supplement targeted corridors of the CFSMP, including proclamation of state forests as protection forests and designation of production forests as protection forests through implementation of Logged-to-Protection Forest practice in line with SFM principles of VCS AFOLU (funded from SFM)</p> <p>2.2.3: Building of wildlife crossing overpasses or viaducts in critical ecological corridors facing</p>	GEF TF	4,987,000 (BD: 3,330,500, LD: 568,500 SFM: 1,088,000)	16,644,812

³ Calculated using the conservative estimate of the average carbon density of 115 tC/ha for the state forest, as used in the CFS Master Plan (2011). The 2nd National Communication (2011) estimates the Carbon density in different forest types in Malaysia ranges from 70 tonnes per hectare in young or sparse forests to 150 tonnes per hectare or more in intact old growth forest. The assumption is that under the baseline scenario conservatively 95% of the 20,000 ha in question would be lost due to logging for production purposes in the next 10 years. The 95% loss is estimated based on the percentage of the area that would be logged based on current logging trends for unprotected forest in Peninsular Malaysia (i.e. 95% of the land would be cleared) and the percentage of both above-ground and below-ground carbon that would be lost. The project scenario will protect the forest, by implementing the LtPF practice (Logged to Protected Forest) which falls under the IFM (Integrated Forest Management) category of VCS AFOLU Requirements v.3.0 (version 8 March 2011) http://www.imaflora.org/upload/repositorio/AFOLU_Requirements_Cv3.0.pdf. This figure is nett of any additional carbon sequestered from subsequent regrowth or plantation in the ten-year period and also includes a deduction of 10% for carbon storage in wood products harvested. A further 20% discount is provided for leakage and permanence. The simplified conservative calculation of the avoided C is: 20,000ha*115tC/ha*0.65=1.49 M tC in total.

⁴ Calculated using coefficients applicable for the ecological zone and forest type in question, for intensive forest management (plantation with native species) of IPCC Vol.2 AFOLU Chapter 2 (Forests), and IPCC LULUCF Good Practice Guidance, for both above and below ground biomass. GEF5 CEO Endorsement Template-December 2012.doc

		<p>establishment of wildlife corridors with an additional 20,000 ha gazetted, 4,000 ha rehabilitated between forest blocks.</p> <p>2.3: The socio-economic status of local communities improved and support for conservation increased through the generation of sustainable livelihoods based on wildlife, and the reduction of human-wildlife conflict, indicated by: (i) At least two ecotourism and handicrafts CBOs in operation and increasing household income of participants by 25%; and (ii) decrease in HWC incidences and economic losses by 25% in target communities from 130 incidents reported in Belum and Endau-Romping sites. Baseline is to be refined during the inception phase.</p>	<p>infrastructural barriers, to supplement current plans for wildlife crossings within the CFSMP (co-fin)</p> <p>2.3.1: Ecotourism and handicrafts projects piloted within indigenous communities in Greater Taman Negara and Belum-Temengor, to be replicated elsewhere</p> <p>2.3.2: Human-wildlife conflict mitigation measures strengthened within Belum-Temengor and Endau-Rompin</p>			
3: Diversification of financing sources for conservation	INV	<p>3.1: The long-term biodiversity and ecosystem conservation of the CFS is enhanced through the diversification of funding sources for conservation, indicated by realisation of new and additional sources of funding for conservation in the CFS of at least \$1 million by EoP and functioning as reflected in BD-2 TT</p> <p>3.2: Funding allocations for biodiversity and ecosystem conservation in the CFS are secured and formalized, indicated by existence of coordinated mechanism in for attracting, earmarking and administering funding for biodiversity and ecosystem conservation in the CFS</p> <p>3.3: Strategic planning processes are in place and being used to link financing to conservation management needs, indicated by operationalization of 1 CFS-wide and 3 state-level sustainable financing plans ensuring that landscapes are managed sustainably, dependent in the long term on</p>	<p>3.1.1: New market-based sources of conservation funding developed: a small hydropower watershed PES scheme in Perak, to be replicated in Johor and Pahang</p> <p>3.1.2: New private-based sources of conservation funding developed: corporate biodiversity or carbon offsets in support of priority species and landscapes</p> <p>3.1.3: Voluntary conservation levies introduced at the state level</p> <p>3.1.4: Conservation funding incorporated into sectoral budgets, including through earmarked fiscal transfers</p> <p>3.2.1: The federal Conservation Trust Fund supported in its establishment, with specific sub-section allocated towards CFS ecosystem and biodiversity conservation and managed by the national CFSMP steering committee, to control funds raised (under Outputs 3.1.1-3.1.4)</p> <p>3.3.1: Sustainable financing plans developed at both federal and landscape levels within CFS units, incorporating investment opportunities with landscape management plans finalised accordingly</p>	GEF TF	1,698,500 (LD: 198,500, SFM: 1,500,000)	5,605,188

	the values of their biodiversity and ecosystem services			
		Subtotal	10,345,000	34,750,000
		Project management Cost (PMC) ⁵	GEF TF 515,000	1,750,000
		Total project costs	10,860,000	36,500,000

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
National Government	NRE, FDP, DWNP, EPU	Cash	29,100,000
National Government	NRE, FDP, DWNP, EPU	In-kind	3,000,000
Local Government	State of Pahang, Perak and Johor	Cash	2,000,000
Local Government	State of Pahang, Perak and Johor	In-kind	900,000
GEF Agency	UNDP	Cash	1,500,000
Total Co-financing			36,500,000

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF AGENCY	TYPE OF TRUST FUND	FOCAL AREA	Country name/Global	Project amount (a)	Agency Fee (b)	Total c=a+b
UNDP	GEF TF	Biodiversity	Malaysia	7,000,000	700,000	7,700,000
UNDP	GEF TF	Land degradation	Malaysia	1,145,000	114,500	1,259,500
UNDP	GEF TF	SFM REDD	Malaysia	2,715,000	271,500	2,986,500
Total GEF Resources				10,860,000	1,086,000	11,946,000

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

² Indicate fees related to this project.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	1,439,500	Nil	1,439,500
National/Local Consultants	351,000	4,500,000	4,851,000

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF⁶

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.
N/A

⁵ PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

⁶ For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities. Within GEF focal area LD-3 an additional outcome has been included: LD-3.3, *Increased investments in integrated landscape management*; in particular, Output 3.3, *appropriate actions to diversify the financial resource base*. This focal area output is extremely relevant to the IC-CFS project since, as part of the project's third component, outputs will include four separate funding sources will be established in order to diversify the financial resource base for CFS conservation. These funding sources include three hydropower PES schemes, corporate biodiversity and/or carbon offsets, voluntary conservation levies, and the incorporation of conservation funding into sectoral budgets (including via fiscal transfers). Accordingly, an additional outcome was included in the SRF: *The long-term biodiversity and ecosystem conservation of the CFS is enhanced through the diversification of funding sources for conservation*.

A.3 The GEF Agency's comparative advantage: **N/A**

A.4. The baseline project and the problem that it seeks to address: **N/A**

A. 5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

Incremental reasoning: The arrangement of the project framework has been altered since the PIF stage to enhance clarity and logic based on the full situation analysis and incorporating STAP comments. As a result, certain aspects have been shifted between outputs and outcomes: for example, the first output as part of Component 1, '*Strengthened institutional capacity of the Federal Government to implement the CFS Master Plan, with a dedicated specialized unit, ensuring compliance by sub-national actors, and monitoring implementation progress*', has been adapted to form an outcome (with slight changes, as explained later), whereas outcomes related to the decision support system and wildlife monitoring system have been re-categorised as outputs, since they contribute to strengthened institutional capacity.

The objective statement has been changed: the objective statement is now the project goal and a new objective statement has been written to give more precision to what the project expects to achieve. Beyond the wording, the ultimate objective is as it was stated in the PIF, simply clarified, and now reads as follows: **The project goal** is that *sustainable forest landscape management in the Central Forest Spine Landscape secures critical wildlife habitats, conserves biodiversity and carbon stocks and maintains the continuous flow of multiple ecosystem services*. Whereas, **the project objective** is *to increase federal and state level capacity to execute the CFSMP through the strengthening of institutional and operational structures and the piloting of sustainable forest landscape management plans in three tiger-priority landscapes, financed sustainably through the diversification of funding sources for conservation*.

The overall content of the project framework has remained the same, except for a number of actions that have been adapted as follows according to additional information received at PPG and since composing the PIF: Within Component 1, the proposed action to establish a dedicated specialised unit in the federal government has been adapted to include the strengthening of the existing national CFS steering and technical committees in addition to strengthening the CFS unit which has been established within the Forest Management Division of the FDP, which was established since the PIF was submitted. With such the unit in existence, the focus is better placed on strengthening it rather than creating it from scratch. In addition, the original plan to establish a national system for monitoring tiger, prey population and habitat conditions has been absorbed under rationalisation of the existing National Biodiversity Clearing House Mechanism for applicability in landscape management planning. This will be carried out by a specialised biodiversity indicator taskforce. Tiger population and habitat monitoring will be directly captured under this process.

The development of ecosystem valuation tools has been moved from Component 3 into Component 1 as part of the focus on landscape management planning tool development. As part of wildlife crime law enforcement activities, wildlife crime units will be established at state level rather than regional level, with an intensified local presence on the ground through community-based monitoring networks and improved capacity for crime management and for case transfer through departments leading to increased rate of convictions. Regarding compliance monitoring of sustainable forestry practices, since the PIF stage it has been established that the focus should not be placed on the Malaysian Timber Certification Scheme audit system but rather on training forestry officers in biodiversity and ecosystem monitoring tools in order to better monitor the sustainability of forestry practices within permanent

reserved forests. The strengthened law enforcement system will then provide the framework for the enhanced monitoring capacity to ensure that forestry officers are able to effectively regulate forestry practices within the permanent reserved forests.

Within the logical framework under Component 2, the size of the three priority landscapes was estimated to be 597,882 ha; this was corrected to be 693,500 ha (as is inferred later in the PIF). Also as part of Component 2, the creation of riparian reserves will be implemented as part of protected area gazettal and will also be encouraged through the inclusion of conservation areas in individually owned land. The sustainable landscape management plans will be developed, implemented and monitored using the tools developed under Component 1. Regarding human-wildlife conflict mitigation, the involvement of communities in mitigation measures is not a major priority; however, the implementation of the Tiger Challenge will encourage their participation in developing conflict mitigation measures as part of a competitive approach. In addition, communities will be strongly involved in ecotourism, which could include elephant-based activities, thus still helping to negate damaging impacts from human-wildlife conflict.

Within Component 3 several additional outputs have been included based on research and deliberations at PPG: the development of three other sources of conservation funding to supplement the PES schemes, including corporate biodiversity and carbon offsets, voluntary conservation levies and the incorporation of conservation funding into sectoral budgets (as described earlier). Also, the government's Conservation Trust Fund will be supported to effectively resource and allocate funds for conservation, with a subsection of this fund dedicated solely to CFS conservation and funded by the mechanisms implemented as part of the project. The project will also support the formulation of sustainable financing plans to incorporate into the newly developed sustainable landscape management plans. As part of the development of the PES schemes, focus will not be placed heavily on an enabling policy environment since payments for ecosystem services is already becoming a feature in policies; however, discussions with state government departments and the successful implementation of PES schemes will encourage further emphasis on PES schemes within policy/legal frameworks in the future. The potential for transboundary PES schemes, for example between Johor and Singapore, will also be explored.

Global environmental benefits: the PIF stated that the immediate global benefits of the project are sustainable management of 5,100,000 ha of predominantly forested land (referring to the CFS); further investigation revealed that the actual area of the CFS is estimated to be 5,300,000 ha.

A.6. Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks: In addition to the risks identified at the PIF stage, several more have been identified, and the updated table of risks is as follows:

Risk	Category	Rating	Mitigation Measure
Federal and state governments may be reluctant to reallocate public funds towards the conservation of the CFS and to support the establishment of an extra-budgetary conservation fund; they will not agree to set aside land from development activities in order to increase conservation areas.	Financial/ political	High	Efforts to secure government support and buy-in to the development of new financing mechanisms and arrangements will be accompanied by a concerted communications and awareness campaign. A key feature of this will be to articulate and demonstrate the economic and development benefits of enhanced public investment in biodiversity and ecosystem conservation in the CFS. By introducing several new financing mechanisms, the Project aims to lessen the potential impacts should one of these sources be somehow constrained in its development or otherwise perform below target. The Project will invest in development of a decision support system for land-use, with valuation tools for different types of ecosystem services, with models for determining trade-offs between land use options based on the value of ecosystem services and other land use values. The Project will demonstrate actual monetisation of ecosystem values through developing the PES mechanism within the CFS landscape. This will demonstrate to the state governments the monetary benefits of setting aside specific areas for conservation.
Poaching pressure fuelled by the existence of global illegal wildlife trade may fast decimate the tiger population	Social/envir onmental	Medium- High	Given the high level of this risk, one of the pillars of the Project design is to increase Malaysia's capacity for surveillance and intelligence driven law enforcement in the CFS and at border posts, to fully implement the existing wildlife laws. It will also strengthen the country capacity for effective participation in regional and global networks to eliminate wildlife trade

Risk	Category	Rating	Mitigation Measure
State governments may view the CFS as a federal government project and be reluctant to implement it without fiscal incentives	Political	Medium	Since the Project involves landscape management, all natural resources and forest types will be accounted for, which are under state responsibility. The design of the plan means that all resources and land uses will be enhanced and improved, thus benefiting the state. With the implementation of a PES scheme and other diverse financing sources, funding will be secured and eliminate the need for fiscal incentives. State governments have been engaged through the PPG process and therefore are already aware of the project plans and reasoning; however, there will be physical presence of the project at the state and site levels so these points will continue to be emphasised through close discussions at the start and throughout the project.
Implementation of the CFSMP may encounter resistance from production sectors such as infrastructure and agriculture, leading to continued construction of roads and forest conversion to agricultural plots	Strategic	Medium	An effective communication strategy and stakeholder involvement plan will be developed and implemented in order to gain stakeholder support. The Project will work towards developing capacity of local government officials and stakeholders in different sectors for translating the CFSMP into local land-use and development planning. The process will be carried out with full participation of the stakeholders in government, non-government and the private sector, including infrastructure companies. This will increase understanding of the need for striking the right balance between development and safeguarding of biodiversity. In addition, forestry officers will be trained to better monitor the biodiversity impacts of plantations within PRFs. Human wildlife conflict mitigation measures will also be supported, such as promotion of compatible land uses in wildlife ranges.
Land users and local communities may distrust project intentions or ignore obligations due to lack of support for conservation and continue to conduct unsustainable activities, leading to overharvesting of forest resources, continued creation of forest trails and agricultural plots, and failure of sustainable livelihood objectives.	Strategic	Medium	Establishment of landscape level management units and landscape level management planning through participatory processes, as well as robust implementation of monitoring mechanisms for biodiversity and ecosystems, will work towards minimising the risk of continuation of unsustainable activities. With all stakeholders involved in every step, full awareness of the benefits of the plan and support for its implementation should be gained. Development of PES schemes is expected to work as an incentive for good behaviour and peer monitoring pressure. Local support for livelihood enhancements has already been established at the PPG stage and so deviation from these schemes towards unsustainable activities should be minimised. Local communities also support the conservation of the CFS as long as human-wildlife conflict is controlled; one of the project's aims is to strengthen mitigation measures against human-wildlife conflict, thus minimising risks to local support for conservation.
State governments may be reluctant to recognise the customary rights of local communities	Political	Medium	The establishment of the sustainable landscape management plan will involve all stakeholders. Close discussion with governments as well as local communities is expected to ensure that governments realise the close relationship between the communities and the forests, their unique knowledge of forest resources, and therefore the importance of their consideration in management discussions. By providing employment for the Orang Asli in law enforcement activities as well as established CBOs, the first steps will be made in increasing their involvement in management, potentially leading to improved rights and stronger CBNRM activities in the future.
The capacity built in at federal and state levels of governance may be lost through transfer of the personnel over time.	Strategic	Medium	A significant proportion of the Project will focus on creating training procedures and documents to be disseminated across states. For example, members of DWNP, FDPM and the Legal Division will be trained for the continuation of training of law enforcement officers post-project. This will ensure that training and guidelines may be passed on to new personnel so that capacity for sustainable landscape management may be sustained. In addition, the strengthened institutional structures supported through the Project, including the development of tools and coordination mechanisms, are physical, permanent factors improving capacity, which will assist its sustainability through the transfer of personnel
The benefits of forest conservation may not be recognised by land managers;	Financial/ strategic	Medium	The Project's inclusion of PES schemes development through the dedicated component as well as the establishment of sustainable livelihoods that both depend on biodiversity and enhance income for those involved will clarify the

Risk	Category	Rating	Mitigation Measure
biodiversity considerations will not become integral to land use planning and the CFS will not gain wider support for its conservation			link between forest conservation and economic development. The landscape-scale approach will result in cost-effective management, which should be recognised by authorities. Other state governments and land owners will also see that the Project's outcomes are a more desirable alternative to the baseline scenario.
Governments and other relevant institutions may lose sight of the Project goal and neglect their obligations	Political	Low	The Project will ensure the specific allocations of responsibilities within the federal and state CFS units and other relevant institutions through a participatory approach, accommodating each member's availability, so that focus on the CFS will remain uninterrupted. Compliance monitoring mechanisms in place will ensure that each party remains committed to its responsibility. The importance of the CFS for the Malaysian economy in terms of wildlife tourism and ecosystem services, as well as the Project's contribution to national targets and global conventions will be made well known and should secure their long-term commitment.
Climate change may undermine the conservation objectives of the Project through, for example, extreme weather events destroying parts of the CFS in target landscapes	Environmental	Negligible	The Project will work to address the anticipated negative impacts of climate change by increasing resilience of the forest landscape, through promoting sustainable management of large-scale landscape in the CFS. Maintenance of large-scale resilience is critical in securing flow of ecosystem services and avoiding irreversible ecosystem regime shifts, which may be caused by climate. If climate-related forest destruction occurs, it will be revived more rapidly with healthier surrounding forests.

A.7. Coordination with other relevant GEF financed initiatives N/A

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

B.1 Describe how the stakeholders will be engaged in project implementation.

The key stakeholders in Peninsular Malaysia's forestry, biodiversity and land-management programmes were identified and their mandates and roles were analysed. Table 1 assesses stakeholders in terms of their *influence* (power over outcomes) and *impact* effects (how affected they will be by the project outcomes). For example, 'high influence, low impact' stakeholders will have a large degree of influence upon the project but will not be significantly impacted by its outcomes.

Table 1. Stakeholder Influence on the Project and Potential Project Impacts

	Low influence	High influence
High impact	<ul style="list-style-type: none"> National NGOs (e.g. MNS, WWF-Malaysia, WCS, MYCAT) National Social NGOs (e.g. POASM, COAC, JOAS, JOAKSM) Local Community Organisations (JKKK) 	<ul style="list-style-type: none"> Ministry of Natural Resources & Environment Ministry of Plantation Industries & Commodities Forestry Department Peninsular Malaysia Department of Wildlife and National Parks State Government (Executive Council) Land Owners & Licence/Concession Holders Local Authorities (District Councils)
Low impact	<ul style="list-style-type: none"> International NGOs 	<ul style="list-style-type: none"> Ministry of Housing & Local Government National Land Council National Physical Planning Council Media Donors

The PPG phase included consultations with the Project's key stakeholders at the national and local levels. Field trips were carried out to Peninsular Malaysia, where all project sites were visited. Local authorities and community

organisations were presented to the project proposal. Two workshops at the national level were also held and the Project was thoroughly discussed. In addition, several bilateral meetings were held, mostly with donors and key stakeholders who could not attend the workshops. Generally, project design was a highly participatory process, in line with UNDP's and GEF's requirements. An Environmental and Social Screening Process was also conducted in order to assess any negative impacts on stakeholders and provide measures for mitigating these impacts, which have been incorporated into the project.

The stakeholders to have primary involvement in the Project are the federal government's Ministry of Natural Resources and Environment, specifically the Forestry Department Peninsular Malaysia and the Department of Wildlife and National Parks. The governments of Perak, Johor and Pahang States will play an important role in the Project, being the primary institutions for the enabling and implementation of the Project, including the sustainable land management plans, the financing mechanisms and the anti-poaching activities. Within the Project Central Office a Stakeholder Engagement and Partnership Development Officer will be employed, specifically to ensure that any conflict between the project and stakeholders is minimised and that their involvement is as effective as possible.

A full list of stakeholders of the CFS forest landscapes, and their relevant roles and responsibilities, can be found in Annex IV. Below is a list of the Project's key stakeholders.

TABLE 2. KEY STAKEHOLDERS OF THE PROJECT⁷

Stakeholder	Current Roles and Responsibilities	Interests in the Project	Potential conflict and Mitigation
The Ministry of Natural Resources and Environment: the National Executing Agency	Ultimate responsibility for ensuring successful completion of the Project. Within this ministry, members of FDP, DWNP, the Legal Division as well as other agencies have formed a national CFS steering committee; their significant involvement in capacity building will be required to ensure effective oversight, coordination and compliance monitoring to the CFSMP	National executing agency Major beneficiary of capacity building Benefit to key line agencies: FDP, DWNP	<i>As the National Executing Agency, there should be no potential conflict</i>
National CFS Steering Committee	Responsible for the oversight of the CFSMP. Will be heavily involved in capacity strengthening activities for CFS management such as trainings and formulation of action plan	Provide oversight on implementation of numerous project activities	Members of the committee seek to oversee and ensure compliance to the CFSMP; however, significant efforts are required to increase their capacity for oversight, potentially including making changes to previous plans, which could raise objections
Forestry Department Peninsular Malaysia	National Implementing Agency: responsible for oversight, overall coordination and providing technical advice for CFS management in the three focal landscapes and project implementation with regards to forest management	<i>Capacity building of existing CFS unit as well as of state-level and district level offices</i>	<i>As the National Implementing Agency, there should be no potential conflict</i>
Department of Wildlife and National Parks	Principle Implementing Partner: will support FDP in oversight and coordination of CFS management and project implementation, particularly concerned with wildlife management, protected area gazetting, the implementation of wildlife crime law enforcement measures, human-wildlife conflict prevention, ecotourism in	<i>Capacity building of enforcement and CFS coordination ability</i>	<i>As the Principle Implementing Partner, there should be no potential conflict</i>

⁷ See Annex IV. List of stakeholders and roles and responsibilities in the CFS and Record of Stakeholder Consultation for a wider stakeholder list and their roles in CFS planning and management. Exact roles of these stakeholders in project implementation under the three components will be determined through further consultations during the implementation phase.

	Taman Negara and sustainable handicrafts activities.		
NRE Legal Division	Will continue to manage prosecutions under the NRE, in coordination with FDPM and DWNP for improved prosecution procedures	Capacity building and enhanced coordination with the enforcement agencies	May not support being given training in wildlife crime prosecution/conviction procedures Mitigation: PSC to be chaired by senior NRE officer in a position of influence
Economic Planning Unit	Responsible for decision-making regarding budgetary allocations for CFS management; will also be involved in formulation of sustainable financing plans	Enhanced capacity with regards to implementation of PES schemes in Malaysia	Seeks to encourage and plan for economic development of Malaysia; however, will need to adapt current budgetary plans in order to increase allocation of funds towards CFS conservation
State Executive Councils	Ultimately responsible for decision-making in all land matters in the focal landscapes	Preservation of biodiversity in the respective states Enhanced PES revenue capacity Ecotourism & handicraft schemes of benefit to the state	May not support land-use decision-making informed by biodiversity, ecosystem and carbon monitoring tools and valuation tools Mitigation: representatives of the offices of the key State Executive Council members will be briefed on the benefits of adopting the said approach
State Forestry Departments	Responsible for forestry policy implementation in the focal landscapes; will be involved in forest crime monitoring and law enforcement, and biodiversity and ecosystem monitoring activities	Capacity building related to implementation of CFS	May not support adaptations to current forest management methods Mitigation: project executants will include senior forestry department staff in each focal state
State Wildlife Departments	Responsible for wildlife policy implementation in the focal landscapes; will be involved in wildlife crime monitoring and law enforcement, and biodiversity monitoring activities	Capacity building related to implementation of CFS, particularly on improved wildlife crime enforcement	May not support adaptations to current wildlife crime management methods Mitigation: project executants will include senior DWNP staff in each focal state
State Economic Planning Units	Will play a key part in formulating landscape management plans and sustainable financing plans	Capacity building related to implementation of CFS Master Plan (valuation of ecosystem conservation, PES, etc.)	May not support such a focus on conserving natural resources rather than economic development Mitigation: project will engage with State Executive Council members and highlight the benefits of conservation
Department of Town and Country Planning	Responsible for supporting development of local landscape plans within each state through technical advice	Implementation of the National Physical Plan (i.e. CFS Master Plan)	Some local plans are already in place as part of the CFSMP; may need adapting according to sustainable landscape management priorities
Forest Research Institute of Malaysia	Responsible for CFS biodiversity and ecosystem services monitoring activities and for providing support for rationalisation of biodiversity clearing house mechanism	Capacity building (training on use of BII)	May not appreciate criticisms of current status of biodiversity monitoring and of clearing house mechanism Mitigation: collaborative approach to project implementation (involving FRIM representatives)
Department of Irrigation and Drainage	Maintenance and monitoring of inland water bodies	Will be involved in development of watershed-based PES schemes as well as participate in formulation of sustainable landscape management plans	Seeks to maintain integrity of water courses; however, may disagree with certain activities planned as part of sustainable landscape management Mitigation: involve in project from an early stage
Department of Environment	Responsible for approving EIAs and monitoring implementation of mitigating measures	Will need to adapt EIA completion procedure so that development projects are not approved before EIA review. Will provide	Seeks to control of environmental impacts of development projects; however, may object to request to adapt EIA procedure Mitigation: (1) involve in project from an early stage; (2) involve senior NRE officer as chair of

		advice for formulating guidelines for EIA and AMMO integration in landscape management planning	PSC
Perak and Johor State Parks Corporations	Key stakeholders in the management of PAs in Belum-Temengor landscape and Endau-Rompin landscape	Will be involved in activities in law enforcement against wildlife and forestry crime and in providing advice for gazettement of 20,000 ha	Seek to manage and protect habitats and wildlife within state parks; however, focus will be primarily given to areas between protected areas Mitigation: project will enhance collaboration with FDPM and DWNP
Department of Orang Asli Development (JAKOA)	Key role in coordinating development activities related to the Orang Asli	Providing guidance on socio-economic development considerations as well as traditional values	Seeks to further the socio-economic development of the Orang Asli; may object to advice given regarding the unsustainability of some current income-generating activities Mitigation: will be involved in the project from an early stage
MY-WEN	MY-WEN, which is coordinated by the CITES division of the NRE, will be a strong focus for law enforcement strengthening; with members selected for covert monitoring network and trained in data management systems;	monitoring and reporting procedures improved	MY-WEN's aim is to improve effectiveness of wildlife crime law enforcement; however, conflict may arise through the reforming of several of their regular procedures and management methods Mitigation: project will communicate the benefits of reformed procedures
INTERPOL	International cooperation related to law enforcement	INTERPOL will be key in assisting with training of law enforcement officers as part of the covert monitoring network	May not want to allocate time and/or resources towards training sessions Mitigation: other training providers can be sourced
Malaysian Conservation Alliance for Tigers	MYCAT (including MNS, WWF-Malaysia, WCS and TRAFFIC South-East Asia) coordinates conservation efforts related to tigers in Peninsular Malaysia	Will be strongly involved in activities on the ground, including wildlife crime law enforcement, human-wildlife conflict prevention and monitoring activities, especially in the Sungai Yu landscape	Will be strongly supported through the project; however, some activities or mechanisms may need adapting which could raise objections Mitigation: full consultation from early stage of the project
World Wildlife Fund (WWF) - Malaysia	WWF Malaysia have an active programme advocating the strengthening of the protected area network in the peninsula. Under the National Tiger Conservation and Action Plan (NTCAP), WWF has been a conducting studies to determine the status of tigers in Temengor since 2007. It has particularly with regards to the northern forest landscape (Perak).	Important stakeholder/collaborator and possible co-implementer of landscape- and species-related actions on the ground, especially in the Belum-Temengor forest landscape	Government agencies may be unwilling to work with NGOs due to issues of confidentiality of information or differences in institutional culture. Mitigation: project will enhance avenues for cooperation between government and civil society to increase trust and develop public-private partnerships
Malaysia Nature Society (MNS)	MNS have active branches throughout the peninsula, including Perak, Pahang and Johor. They currently have a particular focus on Belum-Temengor under the NTCAP.	Important stakeholder/collaborator and possible co-implementer of landscape level actions on the ground, especially in the Belum-Temengor forest landscape	Government agencies may be unwilling to work with NGOs due to issues of confidentiality of information or differences in institutional culture. Mitigation: project will enhance avenues for cooperation between government and civil society to increase trust and develop public-private partnerships
Wildlife Conservation Society (WCS)	WCS work in the peninsula focuses on the Endau-Rompin landscape where they assist the authorities on technical and scientific matters. Their work involves training of rangers and local	Important stakeholder/collaborator and possible co-implementer of landscape level actions on the	Government agencies may be unwilling to work with NGOs due to issues of confidentiality of information or differences in institutional culture. Mitigation: project will enhance avenues for

	community game guards, monitoring and enforcement activities for tiger conservation under NTCAP.	ground, especially in the Endau Rompin forest landscape	cooperation between government and civil society to increase trust and develop public-private partnerships
TRAFFIC South East Asia	TRAFFIC is involved in wildlife trade research throughout the peninsula, with a particular focus on Belum-Temengor	Important stakeholder/collaborator and possible co-implementer of wildlife enforcement related activities	Government agencies may be unwilling to work with NGOs due to issues of confidentiality of information or differences in institutional culture. Mitigation: project will enhance avenues for cooperation between government and civil society to increase trust and develop public-private partnerships.
Academic Institutions	There are several local and international universities involved in research related to forest management, local communities and biodiversity conservation in the peninsula	Conducting management oriented scientific research and surveys. Supporting science based management is a key part of wildlife enforcement capacity building of the project	Universities programmes may not be geared towards the needs of the relevant implementing agencies. Mitigation: agencies and universities will be brought together from the start of the project to allow greater communication of needs and programmes of each counterpart
Local communities	Key users and beneficiaries of the forest biodiversity. They are the affected parties of human wildlife conflict, and play a major role in local habitat conservation and controlling of poaching.	Important co-implementers of landscape level activities including development of landscape management plans, designing and implementation of socio-economic measures to establish ecological connectivity, as well as participatory biodiversity and ecosystem service monitoring and wildlife protection activities.	Some local communities may not agree with the CFS proposals. Mitigation: full consultation and involvement of relevant local communities during the inception phase.
The Smithsonian Institution	Has collaborated with DWNP and provided capacity strengthening on diverse conservation and science programmes, as well as facilitated workshops.	Will be strongly involved in the application of the National Biodiversity Clearing House Mechanism in landscape management planning through inclusion of aspects such as ecosystem valuation and carbon stocks	May be reluctant to build upon current clearing house mechanism rather than construct entirely new mechanism Mitigation: Full consultation and agreement of activities before start of implementation

Stakeholder engagement

The project will provide the following opportunities for long-term participation of all stakeholders, with a special emphasis on the active participation of local communities:

Decision-making: Through the landscape mechanisms and stakeholder groups. The establishment of these structures will follow a participatory and transparent process involving the confirmation of all stakeholders; conducting one-to-one consultations with all stakeholders; development of Terms of Reference (ToR) and ground-rules; inception meeting to agree on the constitution, ToR and ground-rules for the mechanism and its active land use planning, ecological monitoring and community development units.

Capacity building: At systemic, institutional and individual level – is one of the key strategic interventions of the project and will target all stakeholders that have the potential to be involved in brokering, implementing and/or monitoring management agreements related to activities in and around the reserves. The project will target especially organizations operating at the community level to enable them to actively participate in developing and implementing management agreements.

Communication: Will include the participatory development of an integrated communication strategy.

The communication strategy will be based on the following key principles:

- providing information to all stakeholders;
- promoting dialogue between all stakeholders;
- promoting access to information.

The project will be launched by a well-publicized multi-stakeholder inception workshop. This workshop will provide an opportunity to provide all stakeholders with updated information on the project as well as a basis for further consultation during the project's implementation, and will refine and confirm the work plan.

Based on the extensive list of stakeholders (mostly consulted) in Annex IV of the Project Document a more specific stakeholder involvement strategy and plan can be developed at that inception stage.

Goal and Objectives for Stakeholder Involvement

The social sustainability of activities and outputs is addressed through the execution of a stakeholder capacity analysis and the elaboration of a detailed collaborative management involvement strategy and plan which identifies stakeholders' interests, desired levels of involvement, capacities for participation (at different levels) and potential conflicts and, responsive mitigation measures.

Principles of Stakeholder Participation

Based on the stakeholder analysis carried out during the PPG phase it is clear that different levels of capacity development activities will be required at the landscape level on the level of the individual PAs. The two landscapes with which the project will work are quite different in nature, composition of members and technical needs on the ground. It is therefore recommended at the generic proposal for capacity development activities will be refined and regularly updated at the level of each landscape.

Capacity needs fall overall into four main categories:

- Awareness raising and knowledge development about a landscape approach:
- Knowledge and skills for coordinating PAs within landscapes
- Technical knowledge and skills
- Financial support and investments

ENGAGEMENT PLAN FOR EACH PROJECT OUTCOME

Component 1: Planning, compliance monitoring and enforcement framework for integrated forest landscape management

Outcome 1.1: Strengthened institutional capacity of the federal government to oversee implementation of the CFS Master Plan, ensuring compliance by sub-national actors, and monitoring impacts upon biodiversity, ecosystems and carbon stocks

This outcome will involve the key biodiversity experts in Peninsular Malaysia, including the main agencies (FDPM, FRIM, DWNP) as well as NGOs (e.g. WWF, MNS and MYCAT). Academic institutions may also be contracted by the project to assist in achieving this outcome.

Outcome 1.2: Enhanced wildlife crime law enforcement and wildlife monitoring capacity emplaced at the national and state level and in target forest landscapes to ensure reduction of wildlife crime

This outcome will involve the key enforcement agencies (FDPM and DWNP) as well as the Police and Customs. International consultants, INTERPOL, local communities, prosecutors, magistrates and judiciary officers will also be involved in the capacity building activities under this outcome.

Component 2: Sustainable forest landscape management of three priority forest landscapes within the CFS

Outcome 2.1: Biodiversity and ecosystem service provision is mainstreamed in forest landscape management in

the three focal landscapes via sustainable forest landscape management plans, resulting in improved status of biodiversity and ecosystem services

This outcome will focus on involving the state-level stakeholders including the state executive council members, CFS technical committee, the relevant state agencies (forestry, wildlife department and state economic planning units). Federal agencies such as FRIM and FDP, biodiversity experts and international consultants will be involved in facilitating the training. JAKOA, local communities and social NGOs will also be involved in the project through a community-based monitoring network unit. The DOE and local landowners/developers will also be involved in the implementation of the AMMO hierarchy.

Outcome 2.2: Corridor establishment increases connectivity of critical ecological linkages identified in the CFSMP and supports carbon emission avoidance and sequestration under SFM practices

This outcome will involve all the key government stakeholders at both federal and state level, focusing primarily on the involvement of JPSM, FRIM, State Parks Corporations and DWNP. There will also be close coordination with transport and infrastructure authorities with regards to the building of wildlife crossings.

Outcome 2.3: The socio-economic status of local communities improved and support for conservation increased through the generation of sustainable livelihoods based on wildlife, and the reduction of human-wildlife conflict

This outcome will involve the key stakeholders related to rural communities (including JAKOA, social NGOs and representatives of the communities themselves). There is also scope for involving the Ministry of Tourism as well as eco-tourism companies. DWNP and Environmental NGOs will also be involved in the discussions related to human-wildlife conflict.

Component 3: Diversification of financing sources for conservation

Outcome 3.1: The longterm biodiversity and ecosystem conservation of the CFS is enhanced through the diversification of funding sources for conservation

This outcome will be achieved by the involvement of the relevant state authorities (e.g. forestry department, state planning units) as well as private sector companies (i.e. hydropower companies, tourism companies, hotels). There will also be involvement of federal level agencies such as the EPU, and the Ministry of Finance.

Outcome 3.2: Funding allocations for biodiversity and ecosystem conservation in the CFS are secured and formalised

This outcome will focus on the training of the national CFS steering committee (including all the key line agencies such as DWNP and JPSM).

Outcome 3.3: Strategic planning processes are in place and being used to link financing to conservation management needs

This outcome will also focus on the training of the national CFS steering committee (including all the key line agencies such as DWNP and JPSM) but will also include training of state-level economic planning units, LMPCS.

B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF):

Securing sustainable management of forests in the CFS will have significant socioeconomic benefits to the country at both national and local levels. Nationally, it will increase the sustainability of ecosystem services for Malaysia, in particular of water resources. It will also prevent significant costs, both in terms of asset loss and human lives, of possible natural disasters including floods and landslides. In addition, by protecting the globally significant tiger population and other endangered wildlife, Malaysia's attraction as a major tourism destination (tourism is already

the second largest contributor to the GDP) will continue to increase, with a real potential for substantially increasing tourism revenue and employment creation. The secure CFS will also provide amenity, scientific research opportunities and spiritual and cultural values. On a local level, communities, especially the Orang Asli, will be able to benefit from enhanced livelihoods based on sustainable use of forest resource base, including ecotourism and handicrafts. The establishment of conservation funding and PES mechanisms will provide some local revenue. Community members will participate in the landscape level management planning and implementation process, with agreed sustainable use regimes and monitoring mechanisms. In order to ensure socioeconomic benefits and their sustainability, local level activities will be carried out with the participation of local stakeholders, with full consideration given to gender dimensions. The involvement of the Orang Asli in forest management, for example in law enforcement activities, as well as in ecotourism projects, could potentially initiate the strengthening of their land rights and pave the way for CBNRM in the future. Finally, following the UNDP and GEF gender policies and strategies, special attention will be placed on gender equity; in particular the Project will ensure participation of women in livelihood enhancement activities and in the landscape management planning processes.

B.3. Explain how cost-effectiveness is reflected in the project design:

In the 'business as usual' scenario, with the exception of the primary landscapes covered by the CFSMP, governance and management of land uses in forest landscapes will remain fragmented, resulting in missed opportunities for cost reductions through efficiencies of scale and cooperation across landscapes. Within this GEF project, such opportunities will be captured, thus resulting in significantly more cost-effective forest landscape management and providing an example for similar management in other states.

The CFSMP contains plans for each landscape holding a primary or secondary linkage; although comprehensive, the implementation of these plans may be negatively affected by the lack of capacity and financial resources for its implementation. The IC-CFS project will support its implementation in the three focal landscapes and ensure that activities are undertaken as cost-effectively and efficiently as possible, based on the factors below:

- **Funds generation:** The Project will be more cost effective than the baseline scenario of largely government or ad hoc funding for conservation projects, since investments will be partly directed towards the exploration of additional streams of funding. For example, the PES scheme to be piloted in Perak (then replicated in Johor and Pahang) will generate a sustained income for conservation and thereby reduce the level of investment needed for new projects, as would happen were funding to become depleted. With the initial set-up costs covered by this project, this financing mechanism will continue at low running costs, thus ensuring cost-effectiveness of the Project. In addition, funds generated through the PES scheme as well as other diverse sources such as fiscal transfers, voluntary conservation levies and corporate biodiversity and carbon offsets, will be placed in a dedicated conservation fund to ensure a secure source of conservation financing as well as increased transparency and accountability of funding.
- **Improved management in unprotected landscapes:** This project is considered more cost effective than investing in PA management or expansion alone. State governments have the ability to de-gazette PAs without public consultation, and so could make these activities redundant. A PA focus does also not take into account the surrounding landscapes, which are crucial in retaining connectivity between PAs and core forest areas. Without consideration for these areas which allow the movement of wildlife between core areas, success in terms of increases in wildlife populations will be limited, and therefore cost-effectiveness too will be reduced. Instead, the Project addresses issues of unsustainable land uses between forest landscapes and illegal activities within forests. With increased connectivity between forest patches, including PAs, the effects of connectivity will be on a much wider scale than if focusing on PAs alone.
- **Complementation of activities:** Linked with the above, the greater coordination between PA management authorities, other land use authorities, law enforcement agencies as well as local organisations and private landholders, will reduce the risk of either unnecessary replication of activities or conflicting activities, both of which would reduce cost-effectiveness.
- **Planning for sustainable land uses:** The Project's focus on sustainable landscape management planning, whereby biodiversity and ecosystem services considerations are included, will also have a long-term cost-saving impact through the implementation of preventative measures rather than the alternative of post-crisis responsive actions. For example, improving forest connectivity and implementing PES mechanisms as part of integrated landscape management plans will prevent the degradation of watershed regulation in the CFS,

which would otherwise lead to water shortages and high costs incurred as a result.

- **Replicability:** Although the Project focus lies in forest connectivity within just three states, the activities are designed so that it will be replicable across all other states in Malaysia. For example, the formulation and introduction of tools and models for incorporating biodiversity and ecosystem services into land-use planning will be easily transferred to other states in the Peninsula with appropriate training so that the CFSMP may be implemented elsewhere with minimal investments made into redesigning landscape management plans.

C. DESCRIBE THE BUDGETED M & E PLAN:

Inception Workshop: A Project Inception Workshop will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goal and objective, as well as finalise preparation of the project's first AWP. This will include reviewing the log-frame (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise, finalizing the AWP with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project. Additionally, the purpose and objective of the IW will be to: (i) introduce project staff with the UNDP-GEF team which will support the project during its implementation, namely the CO and responsible Regional Technical Adviser (RTA); (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RTA vis à vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting M&E requirements, with particular emphasis on the Annual PIRs and related documentation, the Annual Review Report (ARR), as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings. The IW will also provide an opportunity for all parties to understand their roles and responsibilities within the project's decision-making structures, including reporting and communication lines. A detailed schedule of project review meetings will be developed by project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the PIR. Such a schedule will include: (i) tentative time frames for Project Board Meetings and (ii) project related M&E activities. Day-to-day monitoring of implementation progress will be the responsibility of the CTA based on the project's AWP and agreed indicators. The CTA will inform the UNDP-CO 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 CTA will also fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF RTA. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the AWP. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team. Measurement of impact indicators related to global biodiversity benefits will occur according to the schedules defined in the Inception Workshop, using tracking tool scores, assessments of forest cover, wildlife movements and other means. Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the Implementing Partner, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities. Annual Monitoring will occur through the Project Steering Committee Meetings (PSCM). This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to PSCMs at least two times a year. The first such meeting will be held within the first six months of the start of full implementation. A terminal PSCM will be held in the last month of project operations. The CTA is responsible for preparing the Terminal Report and submitting it to UNDP-CO and UNDP-GEF RCU after close consultation with the PSCM. It shall be prepared in draft at least two months in advance of the terminal PSCM in order to allow review, and will serve as the basis for discussions in the PSCM. The terminal meeting considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its objectives and contributed to the broader environmental objectives. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation. UNDP COs and UNDP-GEF RCU as appropriate, will conduct yearly visits to project sites based on an agreed upon schedule to be detailed in the project's PIR/AWP to assess first hand project

progress. A Field Visit Report/BTOR will be prepared by the CO and UNDP-GEF RCU and circulated no less than one month after the visit to the project team, all PSC members, and UNDP-GEF.

Project reporting: The core project management team (under the CTA), in conjunction with the UNDP CO and RTA will be responsible for the preparation and submission of the following reports that form part of the monitoring process. The first six reports are mandatory and strictly related to monitoring, while the last two have a broader function and their focus will be defined during implementation. A Project Inception Report (PIR) will be prepared immediately following the Inception Workshop. It will include a detailed First Year Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan will include the dates of specific field visits, support missions from the UNDP-CO or the RCU or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the AWP, and including any M&E requirements to effectively measure project performance during the targeted 12 months time-frame. The PIR will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. When finalised, 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 this circulation of the IR, the UNDP CO and UNDP-GEF's RCU Unit will review the document. The Annual Project Report/ Project Implementation Review must be completed once a year. The APR/ PIR is an essential management and monitoring tool for UNDP, the Executing Agency and PCs and offers the main vehicle for extracting lessons from ongoing projects at the portfolio level. Quarterly progress reports: Short reports outlining main updates in project progress will be provided quarterly to the local UNDP CO and the UNDP-GEF RCU by the project team, headed by the Policy Specialist using UNDP formats. UNDP ATLAS Monitoring Reports: A Combined Delivery Report (CDR) summarising all project expenditures, is mandatory and should be issued quarterly. The CTA will send it to the PSC for review and the Executing Partner will certify it. The following logs should be prepared: (i) The Issues Log is used to capture and track the status of all project issues throughout the implementation of the project. It will be the responsibility of the CTA to track, capture and assign issues, and to ensure that all project issues are appropriately addressed; (ii) the Risk Log is maintained throughout the project to capture potential risks to the project and associated measures to manage risks. It will be the responsibility of the CTA to maintain and update the Risk Log, using Atlas; and (iii) the Lessons Learned Log is maintained throughout the project to capture insights and lessons based on the positive and negative outcomes of the project. It is the responsibility of the CTA to maintain and update the Lessons Learned Log.

Project Terminal Report: During the last three months of the project the project team under the CTA will prepare the Project Terminal Report. This comprehensive report will summarise 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 the long term sustainability and the wide replicability of the Project's outcomes. Periodic Thematic Reports: As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. Technical Reports are detailed documents covering specific areas of analysis or scientific specialisations within the overall project. As part of the PIR, the project 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 APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialised 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. Project Publications will form a key method of crystallising 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 team, under the CTA, will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognisable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

Independent Evaluations: project will be subjected to at least two independent external evaluations as follows: An independent Mid-Term Review will be undertaken at the mid-point of the project lifetime. The Mid-Term Review will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation including review of the GEF tracking tool mid-term assessment; will review and update the ESSP report; 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 Review will be prepared by the UNDP CO based on guidance from the UNDP-GEF Regional Coordinating Unit. An independent Final Technical Evaluation will take place three months prior to the terminal Project Steering Committee meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The evaluation will review the GEF tracking tool and end of the project assessment. The Final Technical Evaluation should also provide recommendations for follow-up activities in view of ensuring sustainability of project outcomes and impact.

Below is a table describing the project's Monitoring and Evaluation Plan Budget:

Type of M&E activity	Responsible Parties	Budget USD <i>Excluding project team Staff time</i>	Time frame
Inception Workshop	<ul style="list-style-type: none"> ▪ National Project Manager ▪ UNDP CO ▪ UNDP GEF 	\$15,000	Within first two months of project start up
Inception Report	<ul style="list-style-type: none"> ▪ Project Team ▪ UNDP CO 	None	Immediately following Inception workshop
Measurement of Means of Verification for Project Purpose Indicators	<ul style="list-style-type: none"> ▪ National Project Manager will oversee the hiring of specific studies and institutions to establish baselines and targets where necessary including BII 	62,000 To be finalised in Inception Phase.	Start, mid and end of project
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	<ul style="list-style-type: none"> ▪ Oversight by National Project Manager ▪ Monitoring and Evaluation Officer ▪ Project team 	30,000 To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR and PIR	<ul style="list-style-type: none"> ▪ Project Team ▪ UNDP-CO ▪ UNDP-GEF 	None	Annually
Quarterly progress reports	<ul style="list-style-type: none"> ▪ Project team 	None	Quarterly
CDRs	<ul style="list-style-type: none"> ▪ National Project Manager 	None	Quarterly
Issues Log	<ul style="list-style-type: none"> ▪ National Project Manager UNDP CO Programme Staff 	None	Quarterly

Type of M&E activity	Responsible Parties	Budget USD <i>Excluding project team Staff time</i>	Time frame
Risks Log	<ul style="list-style-type: none"> ▪ National Project Manager ▪ UNDP CO Programme Staff 	None	Quarterly
Lessons Learned Log	<ul style="list-style-type: none"> ▪ National Project Manager ▪ UNDP CO Programme Staff 	None	Quarterly
Mid-term Review	<ul style="list-style-type: none"> ▪ Project team ▪ UNDP- CO ▪ UNDP-GEF Regional Coordinating Unit ▪ External Consultants (i.e. review team) 	\$45,000	At the mid-point of project implementation.
Final Evaluation	<ul style="list-style-type: none"> ▪ Project team, ▪ UNDP-CO ▪ UNDP-GEF Regional Coordinating Unit ▪ External Consultants (i.e. evaluation team) 	\$50,000	At the end of project implementation
Terminal Report	<ul style="list-style-type: none"> ▪ Project team ▪ UNDP-CO ▪ local consultant 	15,000 Funds are budgeted for local consultants to assist where needed	At least one month before the end of the project
Lessons learned	<ul style="list-style-type: none"> ▪ Project team ▪ Monitoring and Evaluation Officer ▪ UNDP-GEF Regional Coordinating Unit (suggested formats for documenting best practices, etc) 	5,000	Yearly
Audit	<ul style="list-style-type: none"> ▪ UNDP-CO ▪ Project team 	\$ 18,000 (\$3,000 per annum)	Yearly
Visits to field sites	<ul style="list-style-type: none"> ▪ Project Team ▪ Government representatives 	\$ 25,000	Yearly
TOTAL INDICATIVE COST		USD 265,000*	
*Excluding project team staff time and UNDP staff and travel expenses			

Learning and Knowledge Sharing: Results from the Project will be disseminated within and beyond the project intervention period through a number of existing information sharing networks and forums. In addition, the Project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organised for Senior Personnel working on projects that share common characteristics. UNDP/GEF Regional Unit has established an electronic platform for sharing lessons between the project coordinators. The Project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The Project will identify, analyse, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identify and analysing lessons learned is an on-going process, and the need to communicate such lessons as one of the Project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the project team in categorising, documenting and reporting on lessons learned.

Branding and Visibility: Full compliance is required with UNDP's Branding Guidelines and guidance on the use of the UNDP logo. These can be accessed at <http://web.undp.org/comtoolkit/reaching-the-outside-world/outside-world-core->

[concepts-visual.shtml](#). Full compliance is also required with the GEF Branding Guidelines and guidance on the use of the GEF logo. These can be accessed at http://www.thegef.org/gef/GEF_logo. The UNDP and GEF logos should be the same size. When both logs appear on a publication, the UNDP logo should be on the left top corner and the GEF logo on the right top corner. Further details are available from the UNDP-GEF team based in the region.

Audit arrangement: The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by a special and certified audit firm. UNDP will be responsible for making audit arrangements for the project in communication with the Project Implementing Partner. UNDP and the project Implementing Partner will provide audit management responses and the Project Manager and project support team will address audit recommendations. As a part of its oversight function, UNDP will conduct audit spot checks at least two times a year.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this form. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Dr. Lian Kok Fei	GEF Operational Focal Point Undersecretary, Environmental Management and Climate Change Division	Ministry of Natural Resources and Environment	11/26/2011

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date (Month/Day/Year)	Project Contact Person	Telephone	Email Address
Adriana Dinu, UNDP/GEF Executive Coordinator and Director a.i		1/21/14	Midori Paxton, Regional Technical Advisor – Ecosystems and Biodiversity, UNDP	+66- 818787510	midori.paxton@ undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK

Project's Development Goal: Sustainable forest landscape management in the Central Forest Spine Landscape secures critical wildlife habitats, conserves biodiversity and carbon stocks and maintains the continuous flow of multiple ecosystem services

Objective/ Outcome	Indicator	Baseline	End of Project Target	Source of Information	Assumptions and Risks
<p>Objective To increase federal and state level capacity to execute the CFSMP through the strengthening of institutional and operational structures and the piloting of sustainable forest landscape management plans in three tiger-priority landscapes, financed sustainably through the diversification of funding sources for conservation</p>	Natural forest cover of 3 largest forest blocks of CFS (Main Range Forest Complex, Greater Taman Negara complex, Endau-Rompin-Sedili complex)	4.2 million ha unprotected forest in 3 largest CFS complexes	No net loss of forest cover within 4.2 million ha, with 95% remaining natural forest	GIS remote sensing, project M&E reports	<p>Assumption: Project plans are accepted willingly and activities are carried out with due diligence, ensuring the successful completion of the project and therefore sustainable management of forest, conservation of tiger populations, increase in funding for conservation and increased institutional capacity for CFSMP implementation</p> <p>Risk: Governments and other stakeholders are not willing to participate in project activities and do not heed to regulations, leading to the continuation of unsustainable forest management, wildlife crime, lack of funding for conservation and weak capacity to fulfil the objectives of the CFSMP</p>
	Funds invested into CFS conservation (apart from GEF funds)	Currently mostly government or ad hoc NGO funding	CFS conservation fund receiving regular income through diverse sources	CFS conservation fund statements, project M&E reports	
	Overall score of CFS Capacity Development Scorecard	Current score is 12	Score of at least 22 by project end	Capacity Development Scorecard	
<p>Outcome 1.1 Strengthened institutional capacity of the Federal Government to oversee implementation of the CFSMP, ensuring compliance by sub-national actors, and monitoring impacts upon biodiversity, ecosystems and carbon stocks</p>	<p>Outputs:</p> <p>1.1.1: A biodiversity indicator taskforce established, coordinated by the NRE, to accurately calculate and monitor the BII of the CFS and enhance the applicability of the National Biodiversity Clearing House Mechanism for use in landscape management planning</p> <p>1.1.2: The environmental management and mitigation measures hierarchy (avoid-minimize-mitigate-offset) incorporated into landscape management planning and management protocols, building on EIA and other tools</p> <p>1.1.3: ICT-based ecosystem service valuation tools introduced for valuing ecosystem services in target forest landscapes, with models for determining trade-offs between land use options based on the values of ecosystem services and other land uses</p> <p>1.1.4: A GIS-based decision support system for landscape management planning adopted, incorporating information on current land uses, local communities, biodiversity, carbon stocks, ecosystem services and their valuation</p> <p>1.1.5: The management capacity and operations of the existing national CFS steering and technical committees strengthened through training in the use and application of the above tools in order to efficiently supervise state-level CFS technical committees in CFSMP implementation</p>				

Objective/ Outcome	Indicator	Baseline	End of Project Target	Source of Information	Assumptions and Risks
	Existence of environmental monitoring and management systems applicable to landscape management planning	There are no effective mechanisms in place for incorporating biodiversity, ecosystem services and carbon stocks considerations into landscape management planning	Environmental monitoring and management tools (developed under Outputs 1.1.1-1.1.4) are positioned for application in landscape management planning across the peninsula	Guideline documents produced for each tool, project M&E reports	Assumption: Biodiversity and ecosystem experts from government departments, NGOs and academic institutions will be available to give their time to offer expertise and share knowledge Risk: Biodiversity experts are not available to collate biodiversity data in order to develop tools for application in landscape management planning
	National CFS steering committee equipped to apply environmental monitoring and management tools in supervision of state level landscape management planning and monitoring of compliance to CFSMP	National CFS steering committee has little knowledge on applications of environmental considerations in landscape management planning and monitoring	National CFS steering committee is fully trained in the application of the tools (developed under Outputs 1.1.1-1.1.4) for supervision of state level landscape management planning and monitoring of compliance to CFSMP	Training reports, project M&E reports	Assumption: National CFS Steering Committee will be willing to be trained in and utilise the tool in landscape management planning and oversight Risk: National CFS Steering Committee is not willing to incorporate the use of the tools into landscape management planning and oversight
Outcome 1.2 Enhanced wildlife crime law enforcement and wildlife monitoring capacity emplaced at national and state levels and in target forest landscapes to ensure reduction of wildlife and forestry crime	Outputs: 1.2.1: A wildlife crime intelligence unit established and fully resourced to control and analyse all intelligence data 1.2.2: Monitoring and reporting mechanisms and protocols in place for efficient transfer of information between law enforcement agencies and relevant departments 1.2.3: Capacity built at community level for wildlife and forestry crime monitoring and reporting across all priority sites, to increase law-enforcement presence 1.2.4: State official capacity built for wildlife and forestry crime monitoring, interception and conviction through the formation of state-level WCUs and strengthened operational resources and practices				
	Tiger populations in source PAs	Estimated to be 0.3 individuals per 10,000 ha	Population increased by at least 20%	Tiger population survey data of each landscape (co-fin) , project M&E reports	Assumption: With improved resources and capacity, law enforcement officers and agencies conduct duties and

Objective/ Outcome	Indicator	Baseline	End of Project Target	Source of Information	Assumptions and Risks
	Percentage of recorded wildlife crime cases that are prosecuted and convicted in court	Between 2011 and 2012, just 13% of cases recorded by DWNP were prosecuted in court	At least 70% of recorded wildlife crime cases are prosecuted in court and given the legally stated penalty	Reports from DWNP and the Legal Division, project M&E reports	succeed in reducing wildlife crime Risk: Law enforcement officers and agencies do not follow improved procedures for increased effectiveness of law enforcement and tigers continue to be poached
Outcome 2.1 Biodiversity and ecosystem service provision is mainstreamed in forest landscape management in the three priority landscapes via sustainable forest landscape management plans, resulting in maintained status of biodiversity and ecosystem services	Outputs: 2.1.1: Capacity strengthened at state level for CFSMP implementation and management in focal landscapes 2.1.2: Preliminary site-specific management plans developed for each forest landscape in support of current plans, with stakeholder participation, to be finalised according to sustainable financing options established under Component 3 2.1.3: Integration of biodiversity, ecosystem service and carbon stocks monitoring protocols (under outputs of Component 1) piloted in the management of the focal landscapes				
	Multi-stakeholder landscape management plan implemented in each landscape, informed by biodiversity, ecosystem services and carbon stocks values	Currently only Belum-Temengor has an integrated landscape management plan, formed without the use of environmental monitoring and management planning tools	693,500 ha across the three focal landscapes is under improved management incorporating environmental monitoring and management tools	Landscape management plans, project M&E reports	Assumption: Stakeholders support the development and implementation of sustainable landscape management plans and agree to implement management activities with integration of monitoring and management tools Risk: Stakeholders do not support the sustainable landscape management plans and continue with original land management activities without incorporating tools for environmental monitoring and management
	GEF Land Degradation-3 Tracking Tool score	Currently a score of 5 out of a possible 10	A score of at least 9 by end of project	GEF LD-3 Tracking Tools, project M&E progress reports	
	Status of biodiversity in the CFS	The preliminary baseline BII lies between 48% and 68%; this will be refined at the start of the project building on PPG-stage analysis.	BII of the CFS has not decreased below score at start of project	Habitat, biodiversity and impact factor assessments, BII report, project M&E reports	

Objective/ Outcome	Indicator	Baseline	End of Project Target	Source of Information	Assumptions and Risks
Outcome 2.2 Corridor establishment increases connectivity of critical ecological linkages identified in the CFSMP and supports carbon emission avoidance and carbon sequestration under SFM practices	Outputs: 2.2.1: Rehabilitation of at least 4,000 ha of semi-degraded forest landscape in line with ARR methodology, using a mix of native species, in accordance with current plans within the CFSMP (funded from SFM) 2.2.2: Gazettement of critical corridor forest of at least 20,000 ha, to supplement targeted corridors of the CFSMP, including proclamation of state forests as protection forests and designation of production forests as protection forests through implementation of Logged-to-Protection Forest practice in line with SFM principles of VCS AFOLU (funded from SFM) 2.2.3: Building of wildlife crossing overpasses or viaducts in critical ecological corridors facing infrastructural barriers, to supplement current plans for wildlife crossings within the CFSMP (co-financed)				
	GEF SFM-REDD+ tracking tool	Baseline score is 6 out of a possible 11	Avoided emissions of 1.49 million tC due to 20,000 ha gazetted ⁸ ; 17,600tC/yr due to ARR activities in 4,000 ha ⁹ ; tracking tool score of at least 10	Carbon stocks assessments; GEF SFM-REDD+ Tracking Tool report	Assumption: ARR activities are carried out with due diligence and are secured from damaging activities; gazetted areas are secured from illegal logging Risk: Management of the gazetted and rehabilitated areas is not adequate for securing against further deforestation
	Presence of wildlife in corridor areas	Connectivity between forest patches is low and restricts wildlife movement, particularly in unprotected areas	An additional 20,000 ha gazetted, 4,000 ha rehabilitated and wildlife crossings established encourage increased presence and movement of wildlife in these areas	Gazettement and protected area designation reports, wildlife monitoring reports, project M&E reports	Assumption: Gazetted and rehabilitated areas are secured against illegal activities; road users take heed to speed limits and warnings Risk: Gazetted and rehabilitated areas experience wildlife and forestry crime, reducing the presence of wildlife in these areas; road

⁸ Calculated using the conservative estimate of the average carbon density of 115 tC/ha for the state forest, as used in the CFS Master Plan (2011). The 2nd National Communication (2011) estimates the Carbon density in different forest types in Malaysia ranges from 70 tonnes per hectare in young or sparse forests to 150 tonnes per hectare or more in intact old growth forest. The assumption is that under the baseline scenario conservatively 95% of the 20,000 ha in question would be lost due to logging for production purposes in the next 10 years. The 95% loss is estimated based on the percentage of the area that would be logged based on current logging trends for unprotected forest in Peninsular Malaysia (i.e. 95% of the land would be cleared) and the percentage of both above-ground and below-ground carbon that would be lost. The project scenario will protect the forest, by implementing the LtPF practice (Logged to Protected Forest) which falls under the IFM (Integrated Forest Management) category of VCS AFOLU Requirements v.3.0 (version 8 March 2011) http://www.imaflo.org/upload/repositorio/AFOLU_Requirements_Cv3.0.pdf. This figure is nett of any additional carbon sequestered from subsequent regrowth or plantation in the ten-year period and also includes a deduction of 10% for carbon storage in wood products harvested. A further 20% discount is provided for leakage and permanence. The simplified conservative calculation of the avoided C is: 20,000ha*115tC/ha*0.65=1.49 M tC in total.

⁹ Calculated using coefficients applicable for the ecological zone and forest type in question, for intensive forest management (plantation with native species) of IPCC Vol.2 AFOLU Chapter 2 (Forests), and IPCC LULUCF Good Practice Guidance, for both above and below ground biomass.

Objective/ Outcome	Indicator	Baseline	End of Project Target	Source of Information	Assumptions and Risks
					users do not follow regulations for slower speeds and roads remain a barrier against wildlife movement
Outcome 2.3: The socio-economic status of local communities improved and support for conservation increased through the generation of sustainable livelihoods based on wildlife, and the reduction of human-wildlife conflict	Outputs: 2.3.1: Ecotourism and handicrafts projects piloted within indigenous communities in Greater Taman Negara and Belum-Temengor, to be replicated elsewhere 2.3.2: Human-wildlife conflict mitigation measures strengthened within Belum-Temengor and Endau-Rompin				
	Conservation-related livelihood activities involving both men and women established in pilot areas and making significant contributions to household income of Orang Asli participants	Baseline household income gained from different livelihood activities (undertaken by both men and women) to be established at start of project, disaggregated by gender. Some craft groups exist in Belum-Temengor but have been given little support and opportunity to develop	At least two ecotourism and handicrafts CBOs in operation, with proven engagement of both men and women, and increasing household income of participants by 25%	Household surveys, project reports and recommendations and replication plans, project M&E reports	<p>Assumption: Structures established for enhanced income generation and training given will encourage CBO members to continue livelihood activities in a sustainable way and increase incomes. Women will be actively involved: no cultural barriers to women's engagement in appropriate livelihoods activities</p> <p>Risk: CBO members return to original livelihood activities which are unsustainable and do not generate additional income.</p>
	Number of reported HWC incidences within communities, and level of economic loss for men, women and households in general	In 2012, 111 wildlife complaints were recorded in Belum-Temengor; 19 complaints were recorded in Endau-Rompin. Baseline for economic losses to be established at start of project, disaggregated by gender	Reports of HWC incidences reduced by 25% in target communities and economic losses reduced by 25%	Household surveys, DWNP reports, project M&E reports	<p>Assumption: Communities and DWNP continue to use improved mechanisms for reporting and responding and response measures become consistently successful</p> <p>Risk: DWNP responses do not increase in effectiveness and communities continue to use their own means to mitigate damage from HWC</p>

Objective/ Outcome	Indicator	Baseline	End of Project Target	Source of Information	Assumptions and Risks
Outcome 3.1: The long term biodiversity and ecosystem conservation of the CFS is enhanced through the diversification of funding sources for conservation	Outputs: 3.1.1: New market-based sources of conservation funding developed: a small hydropower watershed PES scheme in Perak, to be replicated in Johor and Pahang (hydropower plant installation paid for under co-finance) 3.1.2: New private-based sources of conservation funding developed: corporate biodiversity or carbon offsets in support of priority species and landscapes 3.1.3: Voluntary conservation levies introduced at the state level 3.1.4: Conservation funding incorporated into sectoral budgets, including through earmarked fiscal transfers				
	New and additional sources of funding for conservation in the CFS are in place (of at least \$1 million by EoP) and functioning as reflected in BD-2 TT	CFS conservation funding dependent on government budgets and NGO/donor projects	Funds are regularly contributed towards CFS conservation through four separate streams under Outputs 3.1.1-3.1.4	Annual budget allocations to Federal and State Forestry and Wildlife Departments Financial and progress reports of Federal and State Forestry and Wildlife Departments Financial reports of CFS conservation fund Project M&E reports	Assumption: Federal and state governments will agree to reallocate public funds towards the conservation of the CFS Risk: Federal and state governments will not be willing to reallocate public funds and potential sourcing of CFS funds will be much reduced
Outcome 3.2: Funding allocations for biodiversity and ecosystem conservation in the CFS are secured and formalised	Outputs: 3.2.1: The federal Conservation Trust Fund supported in its establishment (including labour and facilities provided under co-fin), with specific sub-section allocated towards CFS ecosystem and biodiversity conservation and managed by the national CFSMP steering committee, to control funds raised (under Outputs 3.1.1-3.1.4)				
	Coordinated mechanism in place for attracting, earmarking and administering funding for biodiversity and ecosystem conservation in the CFS	Fundraising and financial flows for conservation in the CFS largely uncoordinated between different agencies and organisations	With significantly reduced dependence on funds from federal budgets and NGOs, the conservation of the CFS is directed and managed via the dedicated fund without influence of national economic circumstances	Statutes and Articles of Association of CFS conservation fund Financial and progress reports of CFS conservation fund Progress and financial reports of organisations and projects activities receiving funding Project M&E reports	Assumption: Federal government will support the establishment of a fund dedicated towards CFS conservation Risk: Federal government will not support the establishment of a conservation fund and funds will continue to remain insecure
Outcome 3.3: Strategic planning processes in place and being used to	Outputs: 3.3.1: Sustainable financing plans developed at both federal and landscape levels within CFS units, incorporating investment opportunities (secured through GEF investment, provided under co-finance), with landscape management plans finalised accordingly				

Objective/ Outcome	Indicator	Baseline	End of Project Target	Source of Information	Assumptions and Risks
link financing to conservation management needs	CFS conservation management is supported by sustainable financing plans	Budget preparation and planning in government conservation agencies largely delinked from CFS conservation management plans	One CFS-wide and 3 state-level sustainable financing plans ensure that landscapes are managed sustainably, dependent in the long term on the values of their biodiversity and ecosystem services	Federal and State-level sustainable financing strategies and plans Financial and progress reports of Federal and State Forestry and Wildlife Departments Project M&E reports	Assumption: Federal and state governments will support the development of sustainable financing plans and will continue to implement accordingly Risk: Federal and state governments will not support the use of sustainable financing plans in landscape management and funding for CFS management will decline

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).

Comments	Responses	Reference in Project Document
Responses to GEF Secretariat review		
31. Items to consider at CEO endorsement/approval		
Please provide a robust estimation of gains in carbon	The project aims to support the sequestration of 17,600 tC/yr through ARR activities and the avoidance of 1.49 million tC through gazettelement	Please refer to Part 2.4: <i>Benefits of the Project</i> , in particular paragraph 295, global environmental benefits.
Develop a comprehensive risk analysis	A comprehensive risk analysis has been developed, with each risk divided into political, financial, strategic and environmental categories as appropriate and given a rating based on a risk assessment guiding matrix which includes categories from ‘No determinable risk’ to ‘critical’, determined by the likelihood and potential impacts of each risk. For each risk a mitigation measure has been described	Please refer to Section II of the project document, <i>Project Strategy</i> , Part 2.2: <i>Project Strategy and Structure</i> , specifically from paragraph 262, <i>Risks and Assumptions</i> . Assumptions are listed, with corresponding risks and mitigation measures are listed in Table 11, followed by the risk assessment guiding matrix in Box 1
Develop the implementation arrangements	A comprehensive plan for management and implementation has been developed, including details on execution and implementation modalities, project organisational structure, project coordination, landscape level project implementation, project components, project inception session, technical assistance, funds flow, public involvement plan and project reporting. It also details the legal context and audit requirements of the project.	Please refer to Section III of the project document: <i>Management Arrangements</i> . Included is a diagram of the project’s organisational structure
Include a M&E plan	A comprehensive monitoring and evaluation plan has been developed, including a corresponding budget. The plan entails an inception workshop, project reporting, independent evaluations, as well as learning and knowledge sharing. Project reporting will include a project inception report, an annual project review, quarterly progress reports, UNDP ATLAS monitoring reports, a project terminal report, periodic thematic reports, technical reports and project publications. Independent evaluations will include a mid-term review and a final technical evaluation.	Please refer to Section IV of the project document: <i>Monitoring and Evaluation Plan and Budget</i> . Table 14 details each component of the plan and its associated budget.
Confirm the cofinancing	Co-financing has been confirmed	See Project Total Budget
Provide an analysis of local stakeholders	A comprehensive analysis of stakeholders to be involved in the project has been formulated. Each key stakeholder has been analysed according to its role and responsibilities in the project, and interests and potential conflicts. A plan for stakeholder engagement has also been included.	Please refer to Section VII of the project document, <i>Additional Information</i> , Part 3, <i>Stakeholder Involvement Plan</i> . Table 15 details the influences of each stakeholder and potential impacts; Table 16 details each key stakeholder’s interest and responsibilities of the project.

		Annex IV contains an extensive list of stakeholders, detailing their roles and responsibilities in the CFS
Confirm the partnerships on the ground, including how public participation, indigenous communities, and gender aspects will be taken into account	<p>The participation of all stakeholders is a key part of the project's approach to sustainable landscape management. First, awareness raising strategies will be implemented in each landscape to encourage public involvement in proceedings. A Landscape Management Planning Committee will be established within each state, under each state CFS technical unit, and will be composed of representatives of all stakeholders in each landscape to ensure that the requirements of all stakeholders are taken into account in decision-making. These members will include both men and women which will allow women to view their opinions and benefit from decisions made.</p> <p>Members of the public (including indigenous communities) will also be involved in wildlife crime law enforcement activities through the creation of community-based monitoring networks; this will not only strengthen law enforcement efforts but will provide income to communities and an increased sense of ownership of their land. Women will also be involved in these networks; they will also benefit from the creation of a handicrafts-based CBO, to be established to enhance income generation. Participation of women in the project activities will be systematically monitored and quantified. The site level interventions will be designed with due considerations for equity between women and men and among ethnic groups, and to ensure no adverse impact on any particular groups in the society. The assessments of community-based interests carried out using the ESSP tool (especially of Orang Asli indigenous communities) will be returned to and incorporated as part of the internal monitoring process .</p>	<p>Please refer to Section II of the project document, <i>Project Strategy</i>, Part 2.2: <i>Project Strategy and Structure</i>, specifically within paragraph 249 (see Output 1.2.3); also paragraph 251 which discusses awareness raising and 254 which discusses CBO establishment; paragraph 256 lists and elaborates on each output of Component 2 (see Outputs 2.1.1, 2.1.2, 2.3.1).</p> <p>Please also see Part 2.4: <i>Benefits of the Project</i>, in particular from paragraph 298, local socioeconomic benefits, as well as 311, social sustainability.</p> <p>Environmental and Social Screening Procedure (ESSP) report – Annex 5</p>
Responses to comments from Council: Germany		
Large monoculture plantations with exotic rubber trees (<i>Hevea brasiliensis</i>) are a widespread land-use form in Malaysia. For the purpose of landscape sustainability and ecological connectivity it is crucial that only polycultures with native species are established. In line with STAP comment 4, the full proposal should therefore provide more detail on the design and location of the rehabilitation activities under project component 2.	<p>The project's rehabilitation activities will involve the planting of a mixture of native species in semi-degraded areas in order to achieve ecological connectivity. These areas will be strategically selected for their importance for connectivity (in terms of the potential total land area connected and type/number of species benefiting) as well as the likelihood of successful rehabilitation. This will be determined through GIS analysis of biodiversity and habitat data followed by ground-truthing of shortlisted areas.</p>	<p>Please refer to Section II of the project document, <i>Project Strategy</i>, Part 2.2: <i>Project Strategy and Structure</i>, specifically from paragraph 253 which describes the rehabilitation activities; more detail is then provided within paragraph 256 which lists and elaborates on each output of Component 2 (see Output 2.2.1).</p>
Responses to comments from STAP Review Agency		

<p>STAP welcomes the inclusion of quantified targets in the Project Framework matrix at Section B of the PIF. However, STAP is concerned that the Expected Outcomes appear to be somewhat more specific and detailed than the Expected Outputs. Given that Outputs are the project's deliverables by the end of the project, and Outcomes are the major changes to which the Outputs should contribute well after the project time-frame, the structure of the present Logical Framework does need reviewing. STAP further suggests that the Project Framework column under Expected Outputs includes quantified targets for the global environmental benefits to be achieved. This should preferably be the impact indicators ' selected from the strategies of three focal areas (BD, LD and SFM) - that will be tracked during the project and evaluated at the end of the project</p>	<p>The Agency agrees with STAP's comments and the Logical Framework has been thoroughly reviewed:</p> <p>Outcome redefinition:</p> <p>1.1: Strengthened institutional capacity of the federal government to oversee implementation of the CFS Master Plan, ensuring compliance by sub-national actors, and monitoring impacts upon biodiversity, ecosystems and carbon stocks</p> <p>1.2: Enhanced wildlife crime law enforcement and wildlife monitoring capacity emplaced at the national and state level and in target forest landscapes to ensure reduction of wildlife crime</p> <p>Output redefinition:</p> <p>1.1.1: A biodiversity indicator taskforce established, coordinated by the NRE, to accurately calculate and monitor the BII of the CFS and enhance the applicability of the National Biodiversity Clearing House Mechanism for use in landscape management planning</p> <p>1.1.2: The environmental management and mitigation measures hierarchy (avoid-minimize-mitigate-offset) incorporated into landscape management planning and management protocols, building on EIA and other tools</p> <p>1.1.3: ICT-based ecosystem service valuation tools introduced for valuing ecosystem services in target forest landscapes, with models for determining trade-offs between land use options based on the values of ecosystem services and other land uses</p> <p>1.1.4: A GIS-based decision support system for landscape management planning adopted, incorporating information on current land uses, local communities, biodiversity, carbon stocks, ecosystem services and their valuation</p> <p>1.1.5: The management capacity and operations of the existing national CFS steering and technical committees strengthened through training in the use and application of the above tools in order to efficiently supervise state-level CFS technical committees in CFSMP implementation</p> <p>1.2.1: A wildlife crime intelligence unit established and fully resourced to control and analyse all intelligence data</p> <p>1.2.2: Monitoring and reporting mechanisms and protocols in place for efficient transfer of information between law enforcement agencies and relevant departments</p> <p>1.2.3: Capacity built at community level for wildlife and forestry crime monitoring and reporting across all priority sites, to increase law-enforcement presence</p> <p>1.2.4: State official capacity built for wildlife and forestry crime monitoring, interception and conviction through the formation of state-level WCUs and strengthened operational resources and practices</p> <p>2.1: Biodiversity and ecosystem service provision is mainstreamed in forest landscape management in the three focal landscapes via</p>	<p>Please refer to Section V in the project document: <i>Strategic Results Framework</i>, as well as the <i>List of Outputs and Activities per Outcome with Indicative Costs and Stakeholders</i> for the structure of the logical framework</p>
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	<p>sustainable forest landscape management plans, resulting in improved status of biodiversity and ecosystem services</p> <p>Outcome redefinition:</p> <p>2.2: Corridor establishment increases connectivity of critical ecological linkages identified in the CFSMP and supports carbon emission avoidance and sequestration under SFM practices</p> <p>2.3: The socio-economic status of local communities improved and support for conservation increased through the generation of sustainable livelihoods based on wildlife, and the reduction of human-wildlife conflict</p> <p>2.1.1: Capacity strengthened at state level for CFSMP implementation and management in focal landscapes</p> <p>Output redefinition:</p> <p>2.1.2: Preliminary site-specific management plans developed for each forest landscape in support of current plans, with stakeholder participation, to be finalised according to sustainable financing options established under Component 3</p> <p>2.1.3: Integration of biodiversity, ecosystem service and carbon stocks monitoring protocols (under outputs of Component 1) piloted in the management of the focal landscapes</p> <p>2.2.1: Rehabilitation of at least 4,000 ha of semi-degraded forest landscape in line with ARR methodology, using a mix of native species, in accordance with current plans within the CFSMP (funded from SFM)</p> <p>2.2.2: Gazettement of critical corridor forest of at least 20,000 ha, to supplement targeted corridors of the CFSMP, including proclamation of state forests as protection forests and designation of production forests as protection forests through implementation of Logged-to-Protection Forest practice in line with SFM principles of VCS AFOLU (funded from SFM)</p> <p>2.2.3: Building of wildlife crossing overpasses or viaducts in critical ecological corridors facing infrastructural barriers, to supplement current plans for wildlife crossings within the CFSMP (co-fin)</p> <p>2.3.1: Ecotourism and handicrafts projects piloted within indigenous communities in Greater Taman Negara and Belum-Temengor, to be replicated elsewhere</p> <p>2.3.2: Human-wildlife conflict mitigation measures strengthened within Belum-Temengor and Endau-Rompin</p> <p>Outcome redefinition:</p> <p>3.1: The longterm biodiversity and ecosystem conservation of the CFS is enhanced through the diversification of funding sources for conservation</p> <p>3.2: Funding allocations for biodiversity and ecosystem conservation in the CFS are secured and formalized</p> <p>3.3: Strategic planning processes are in place and being used to link financing to conservation management needs</p>	
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	<p>Output redefinition:</p> <p>3.1.1: New market-based sources of conservation funding developed: a small hydropower watershed PES scheme in Perak, to be replicated in Johor and Pahang</p> <p>3.1.2: New private-based sources of conservation funding developed: corporate biodiversity or carbon offsets in support of priority species and landscapes</p> <p>3.1.3: Voluntary conservation levies introduced at the state level</p> <p>3.1.4: Conservation funding incorporated into sectoral budgets, including through earmarked fiscal transfers</p> <p>3.2.1: The federal Conservation Trust Fund supported in its establishment, with specific sub-section allocated towards CFS ecosystem and biodiversity conservation and managed by the national CFSMP steering committee, to control funds raised (under Outputs 3.1.1-3.1.4)</p> <p>3.3.1: Sustainable financing plans developed at both federal and landscape levels within CFS units, incorporating investment opportunities with landscape management plans finalised accordingly</p>	
<p>Given that the CFS is trans-boundary with Thailand, STAP identifies the importance of cross-border compliance and enforcement with Thai counterparts. Have these been explored? Would a regional project not be more effective?</p>	<p>While a regional project may be more effective, given that the project builds on Malaysia's achievement on development of the CFS Master Plan, which is an enormous task in itself, it was deemed more strategic to focus on the support for implementation of the Master Plan. The project's components are designed to be replicable and expandable so that Thailand (and other countries) will be able follow Malaysia's example once sustainable landscape management and strengthened law enforcement has been achieved in Malaysia. The Malaysian and Thai protected area agencies are currently in discussion on the possibility of developing a joint PA landscape project including operationalization of the transfrontier conservation areas linking two existing PAs.</p>	<p>N/A</p>
<p>Under Component 1, STAP raises the question as to whether the establishment of a dedicated specialized unit in the Federal Government is the best way forward for conservation compliance and enforcement. In such a complex cross-sectoral milieu involving forest, wildlife, agriculture and development agencies, a separate unit may merely shunt responsibility for compliance with the Master Plan to a few individuals, leaving major decisions to continue to be taken by sectoral agencies. The exploitation of</p>	<p>The agency has considered STAP's comments on this matter and has adapted the project so that a greater focus is placed on strengthening existing management structures, such as the current national CFS steering and technical committees. The project will, however, strengthen the capacity of each state CFS technical committees through supporting the allocation of staff and resources to a dedicated CFS executive unit within this committee, which will be trained in CFS management and implementation of the Master Plan. These units will be composed of members from relevant departments such as wildlife and forestry departments, and will act to coordinate all relevant departments both across state departments and between state and federal levels. Stringent monitoring protocols will further ensure compliance to plans and regulations. The allocation of specific members to CFS management will enable clear accountability rather than the various CFS-related departments shifting responsibility between each other.</p>	<p>Please refer to Section II of the project document, <i>Project Strategy</i>, Part 2.2: <i>Project Strategy and Structure</i>, specifically paragraph 245 which describes activities for strengthening capacity for the management of the CFS Master Plan. More detail is then provided within paragraph 249 which lists and elaborates on each output of Component 1 (see Output 1.1.5) as well as paragraph 256 which lists all the outputs of Component 2 (see Output 2.1.1). Please also see Part 2.4: <i>Benefits of the Project</i>, in particular from paragraph 291, which explains how the project will increased implementation capacity at federal and state level for CFS Master Plan management and</p>

<p>synergies is usually best achieved by all mainstream professionals working together. This risk should, at the very least, be explicitly addressed</p>		<p>implementation. Also, paragraph 307 concerns the institutional sustainability supported by the project's activities</p>
<p>Under Component 2 (the implementation of SLM), the rehabilitation of degraded lands is to be included. According to GLASOD (the Global Assessment of Soil Degradation) Malaysia has multiple causes of soil erosion and some sites with severe rates of soil erosion. The problem has been well-recognised since the early 1970s. STAP warns that rehabilitation of degraded lands is not only technically very difficult (especially on acid humid tropical soils with low levels of organic matter) but also extremely costly. If this rehabilitation is only to be one of many activities in this project Component, it would be better to focus on areas that are not currently degraded and ensure that these are maintained in good condition, before embarking on areas that have already lost their topsoil</p>	<p>The agency agrees with STAP's comments and clarifies that rehabilitation activities will only be implemented in semi-degraded areas, based on a number of factors including the likelihood of successful rehabilitation. Those areas considered too costly to rehabilitate or unlikely to be successfully rehabilitated will not be selected. Monitoring activities will ensure that the areas targeted will be well maintained so that the success of rehabilitation is sustained.</p>	<p>Please refer to Section II of the project document, <i>Project Strategy</i>, Part 2.2: <i>Project Strategy and Structure</i>, specifically from paragraph 253 which describes the rehabilitation activities; more detail is then provided within paragraph 256 which lists and elaborates on each output of Component 2 (see Output 2.2.1).</p>
<p>The immediate global benefits of the project are stated to be the sustainable management of 5,100,000 ha of predominantly forested land. During the PPG phase it will be vitally important to identify the global environmental benefits (GEBs) more precisely, to include indicators of impact (and not just delivery), measures for tracking GEBs (for example, changes in total system carbon, given the importance of the CFS to Malaysia's total stock of carbon) and the targets for delivery of GEBs included in</p>	<p>Specifically, 693,500 ha of land deemed a priority area in both the CFSMP and NTCAP will be under sustainable forest landscape management; with strengthened institutional capacity there will be no net loss of forest within 4.2 million ha of unprotected forest in the CFS, with 95% remaining natural forest. These impacts will be measured through GIS remote sensing coupled with ground-truthing. Due to increased connectivity and significantly strengthened law enforcement capacity, the Malayan tiger population will increase by 20% from its current estimated 500 individuals.</p>	<p>Please refer to Part 2.4: <i>Benefits of the Project</i>, in particular paragraph 295, which describes the specific global environmental benefits of the project.</p>

Expected Outputs		
<p>STAP is pleased to see that the risk analysis in Section B4 includes climate change risks. One risk that is acknowledged widely is local people's attitudes to conservation, especially fuelled by the conflict between tiger attacks and villages. This reinforces the importance of identifying very clearly all the stakeholders and ensuring their inclusion in decision-making, and not just the sharing of benefits. Gender considerations should also be addressed. There is little in the PIF on local decision-making, and STAP is concerned that the project will not only be perceived to be top-down imposition of conservation but will actually be so. Compliance and enforcement needs to be balanced by suitable governance and local-level decision-making. These issues need to be addressed in the full project proposal</p>	<p>The agency agrees with STAP's comments. During PPG activities, however, it was established that local communities are supportive of the conservation of the CFS since they value its resources. Human-wildlife conflict is an issue but will be tackled during the project; therefore, negative attitudes of local communities are not considered a significant risk. However, this risk may indeed be present amongst production sectors. The project will mitigate risks for both of these stakeholder types through the following means: stakeholder participation will be an integral part of the development of sustainable landscape management plans so that all stakeholders, including local communities (both men and women) and production managers, will be involved in decision-making. In particular, income generation schemes that depend on conservation and sustainable natural resource use, such as through the establishment of ecotourism and handicrafts CBOs (the latter of which will support women's empowerment) and implementation of PES schemes, will secure further support for conservation. The aim of the project is for strengthened capacity at government level for conservation and sustainable management of the CFS; however, a key requirement of sustainable management is participation of all stakeholders; in this way, the agency believes it has addressed the risks of a top-down approach and lack of local support for conservation.</p>	<p>Please refer to Section II of the project document, <i>Project Strategy</i>, Part 2.2: <i>Project Strategy and Structure</i>, specifically from paragraph 256 which lists and elaborates on each output of Component 2 (see Outputs 2.1.2, 2.3.1, 2.3.2) as well as paragraph 261 (Output 3.1.1) which involve the activities related to building support for conservation. Paragraph 262, <i>Risks and Assumptions</i>, contains Table 11 which includes this risk and corresponding mitigation measure. Please also see Part 2.4: <i>Benefits of the Project</i>, in particular paragraphs 293, which describes how the project will increase support for conservation, and 298, which describes the local socioeconomic benefits of the project. Paragraph 311 describes the social sustainability impacts of the project, including the positive impacts on women.</p>

Response to Comments on CEO Endorsement Request and Project Document submission. *Improving Connectivity in the Central Forest Spine (CFS) Landscape - IC-CFS (Malaysia). GEF Agency Program ID: 4594 GEF SEC ID: 4732.*

Comments	Response	Reference in project document
Comments from the GEG Sec – December 19, 2013		
<p>1. Is the project framework sound and sufficiently clear? - The result framework is particularly long and dense. It reflects the complexity and the multiple angles of the project.</p> <p>The component 3 is not very clear. Please detail the activities that are covered by the cofinancing and describe what kind of activities will be financed with GEF resources. Justify the added value of the GEF and why the GEF resources are needed. Provide explanation about the role of cofinancing, notably to explain the sustainability of the approach and what will happen once the project will have closed.</p>	<p>Indeed, the complexity and size of this project requires a complex results framework. The agency agrees with the GEF that the differentiation between the roles of the GEF investment versus that of co-finance is not sufficiently clear. Amendments have been made across the documents to the outputs in components three, stating in parenthesis more clearly the differentiation between sources of financing. However, in essence, the difference can be described as follows: GEF funding is focused on having a catalytic importance by making the links between players, bring state and private sector, instilling best practices and approaches and ensuring full understanding and ownership by all the stakeholders involved. Further, GEF investment is focused on bringing in new and innovative approaches to sustainable financing including PES, biodiversity offsets, voluntary conservation funding mechanisms and instilling the capacity to set up and manage mechanisms to incorporate conservation funding and to set up functional trust funds. Whereas, co-finance is focused on the systems themselves once set up and running. Thus, co-finance will pay for the management and implementation of PES and biodiversity offset schemes set up under the project, will pay for the roll-out of conservation levy systems, for the management of the Conservation Trust Fund once it has been brought up to a functioning level by the GEF investment, and will pay for the long-term management of funds management and the integration of conservation finance into fiscal planning in the long-term. In essence, the GEF investment is crucial in terms of the innovation, galvanizing thinking and bringing people and innovative approaches together whereas co-finance will be utilized to ensure new interventions are sustained by absorbing them into the necessary systems and mechanism of government and private sector investments.</p>	<p>Clarifications made to CEO Endorsement Request pp 26 and Project Document pp 78, 79, 80, 117, 118, 127, 130</p>

Comments	Response	Reference in project document
<p>2. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/additional benefits?</p> <p>Socio-economic benefits and gender dimensions are developed. However, please confirm that gender information will be included in the monitoring program. It is mentioned in the text, but we did not find it in the monitoring framework.</p>	<p>The agency agrees this was not sufficiently clear and clarification has been made in the results framework with two gender disaggregated indicators in two outputs focused on the livelihood activities proposed for the Orang Asli indigenous communities, as follows:</p> <p>Conservation-related livelihood activities involving both men and women established in pilot areas and making significant contributions to household income of Orang Asli participants.</p> <p>Number of reported HWC incidences within communities, and level of economic loss for men, women and households in general</p>	<p>Clarifications made to results framework: CEO Endorsement Request (Page 25), Project Document page 118</p>
<p>3. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly? - A specific effort was requested during the PPG to reinforce the stakeholder analysis and involvement. A plan for their involvement has been included. However, while we appreciated the work done during the PPG to enlarge the consultation not only to governmental bodies, but to people representatives, the private sector, and academic institutions, the information related to the engagement plan is somehow limited. We are not sure to figure out how these key actors on the ground will be committed in the project execution and the long term outcomes. For a project of this ambition, it seems very important to take the opportunity to develop long term partnerships among stakeholders, notably the academic institutions, NGOs, professional organizations, local communities. The table 17</p>	<p>The project will involve an array of government and non-government stakeholders in the implementation of the CFS Master Plan. The existing national and state-level committees will be expanded to include representatives from NGOs and academic institutions at inception. The project will also support establishment of local-level committees for the target landscapes, which will include local community reps as well as the other stakeholders. Annex IV. List of stakeholders and roles and responsibilities in the CFS includes description of stakeholder roles in CFS planning and management. The list includes around 40 non-governmental stakeholders including civil society organisations, academic institutes and private sector entities. Given the complexity of the project with three distinct components that will utilize a wider range of skillsets and expertise, the exact engagement of NGOs, academic institutions and the private sector will be determined during the inception phase. Table 3 (ProDoc) / Table 2 (CEO Doc) - Key Stakeholders of the Project has been expanded to include key NGO partners and communities. A footnote is added in this regard (footnote 109 on page 161 of ProDoc and footnote 7 on page 10 of CEO Doc).</p> <p>On the output-by-output level indicative outline of the stakeholders expected to be involved and an indicative budget has been provided (pp121-130 of the Project Document) and this is now referenced in the Stakeholder Involvement Plan. The final agreement of which stakeholders will be involved will come about at either inception, annual work planning or on a case-by-case basis in the case of procurement of contractual services for specific outputs and activities.</p>	<p>See clarifications in the stakeholder Involvement plan, Project Document, pp 160 -167. CEO Doc, pp 9-15. Stakeholder table and footnote, on page 161 of ProDoc and page 10 of CEO Doc.</p> <p>Please also see Annex IV. List of stakeholders and roles and responsibilities in the CFS.</p>

Comments	Response	Reference in project document
<p>(p160) of the key stakeholders is very government oriented. Please, confirm that long term partnerships will be developed with universities, research centers, and local communities.</p>	<p>The project stakeholder involvement plan will be further elaborated and finalized during the inception phase.</p>	<p>See also <i>List of Outputs and Activities per Outcome with Indicative Costs and Stakeholders in the Project Document</i>, pp 121-130</p>
<p>4. Is the project consistent and properly coordinated with other related initiatives in the country or in the region? - The integration of this project with other activities developed under the Tiger Initiative is not clear. Please explain what is done by other partners. Other GEF/UNDP projects are mentioned. However, we did not understand the mechanisms and the way all projects will work together</p>	<p>All the 13 tiger range countries including Malaysia have developed the national programme to contribute directly to the Global Tiger Recovery Programme (GTRP) 2010-2022 under the Global Tiger Initiative (GTI). The project is directly aligned with Malaysia's commitments towards the GTRP which are outlined in the NTCAP (2008-2020) with the vision of realising “Malaysia in which tigers thrive in the Central Forest Spine in the 22nd century and beyond”. The NTCAP have four thematic components: namely 1) Central Forest Spine; 2) patrol and enforcement; 3) habitat management, conflict resolutions and land-use; and 4) conservation science and monitoring. The 80 actions under the NTCAP have clear indication of responsible parties including DWNP, FDP, NRE and a range of governmental and non-governmental institutions. The proposed project will directly contribute to all of the thematic areas, in particular “securing the CFS with strictly protected priority areas in the landscapes connected with corridors”. International partners involved in the GTI.GTRP include UNDP, WWF, WCS, TRAFFIC, ASEAN-WEN, Interpol and the Smithsonian Institute. In Malaysia, there are several partners involved in implementing the NTCAP, including the government and NGOs (under the MYCAT umbrella). The existing activities of all of these international and national civil society and development partners are mentioned throughout the document and their specific national-level activities are summarised on page 48-49 and in the stakeholder table on page 161. Additional information regarding the activities of stakeholders related to the CFS and pertaining to the NTCAP is also provided in Annex IV - List of stakeholders and roles and responsibilities in the CFS and Record of Stakeholder Consultation on page 190.</p> <p>The steering committees of the IC-CFS project and other GEF/UNDP projects will all be chaired by a representative from the NRE ministry. The members of the project steering committees of these projects will comprise many of the same people</p>	<p>See Project Document page 48-49 and 90-92 for clarification</p> <p>Please also see the stakeholder table on page 161 of ProDoc and page 10 of CEO Doc.</p> <p>Annex IV of the ProDoc on page 190.</p>

Comments	Response	Reference in project document
	<p>representing many of the same institutions. The design of this project, as well as that of the other projects has explicitly taken into account the on-going and planned activities of the other projects. For example, the protected areas financing project is looking primarily at conservation within protected areas while the IC-CFS project will focus on activities outside of PAs. Discussions are taking place to explore the possibility of integrating project coordination and technical support functions of the two projects at the landscape level, by sharing the state level coordination units.</p>	
<p>5. Is the project implementation/ execution arrangement adequate? - Some clarifications are needed:</p> <ul style="list-style-type: none"> - In the project document, it is mentioned p.99 that "the project will be executed under National Implementation Modalities (NIM) where UNDP will be the National Implementing Agency, acting as the provider of the services and facilities that come about through a successful proposal. (...) The NRE shall be the National Executing Agency. - In the project package, there is also a letter mentioning that the UNDP Country Office will be reimbursed for their services to support the project. Could you be more specifics on the level of resources that will be deducted from the budget of the project. Are we talking here about project management costs? are these funds coming from the technical parts? - In this letter again, the item 4 mentions that "assistance may consist of any other form which may be agreed by FDPM and UNDP". Could you be more specifics on the potential consequences on project management costs? If the application of this item is changing the level of management costs or the role of UNDP in the project, is there a mechanism to alert the GEFSEC? 	<p>During the implementation of the project, UNDP’s project cycle management support as the GEF implementing agency is outlined in the table below (Annex). These are support functions for which the IA fee at 9.5% of the project amount is used.</p> <p>When government implementing partners request additional services to the UNDP country offices in implementation of the project, an additional cost is chargeable as part of the project management cost of the project. These additional services typically include: (i) recruitment of consultants, arrangement of travel and/or payroll management; (ii) procurement of goods and services. The amounts are estimated as accurately as possible, and a letter of agreement (Standard Letter of Agreement between the UNDP and the Government for the Provision of Support Services) is signed in this regard. Budget of US\$ 25,000 for the 6 years is reflected in the budget table under the Project Management Cost (budget line 74500 UNDP Cost Recovery), and the corresponding budget note. No cost recovery comes from the technical components of the project.</p> <p>The agency does not envisage any significant alteration of the amount during the implementation. If there are minor alterations, the project board will need to approve the change and the letter of agreement will need to be officially amended. In the unlikely event of a significant alteration of the amount, which will make the total project management cost exceed the set threshold of 5% of the total GEF grant for the three components, special approval will be sought by the GEF Secretariat according to the specified procedures under the project amendment section of the GEF Project and Programmatic Approach Cycles document (GEF/C.39/Inf.3) on page 18-20.</p> <p>The Economic Planning Unit, Prime Minister Department, which monitors all UNDP supported projects, supports the DPS agreements. “Other forms of assistance” could include logistics arrangements for technical and consultation</p>	<p>N/A, as defined here, but see also Annex VIII. UNDP Project Cycle Management Services in Project Document, pp 215-216</p>

Comments	Response	Reference in project document
<p>- In the project budget, there is a line in the management costs entitled "UNDP cost recovery" of \$25,000. Is there a possibility that the UNDP costs recovery go beyond this threshold</p>	<p>sessions and travel arrangements for participants, as required by the government implementing agency.</p>	
<p>6. Cofinancing - Please provide letters from the governments of Pahang, Perak and Johor (\$2,000,000 in cash and \$900,000 in-kind).</p>	<p>local letters from the state governments are attached in the annexes. Please explain the consistency of information between the table C (p5) and the text (p5 and 6). We have</p>	<p>provided from UNDP (Section VII, Part 1) and the national government (Ministry of Natural Resources and Environmental Conservation).</p>
<p>7. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets? OK (except the lack of gender indicators).</p>	<p>Yes, this has now been addressed in the results framework, see above.</p>	<p>Clarifications made to results framework: Project Document page 117</p>

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹⁰

A. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

None apart from the issues already described in Part II Section A above.

B. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF: US\$ 100,000			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed/Over Spent</i>
Activity 1: Policy Framework and Institutional Capacity Review	7,000.00	8,564.00	0.00
Activity 2: Landscape Profiling and GEF Tracking Tool Baseline Assessment	20,000.00	9,584.00	10,416.00
Activity 3: Local stakeholder and gender assessment	10,000.00	8,356.00	0.00
Activity 4: PES Pre-Feasibility Study	20,000.00	26,021.00	0.00
Activity 5: Analysis of Wildlife Trade and Law Enforcement	15,000.00	12,990.00	0.00
Activity 6: Development of the Biodiversity Intactness Index (BII)	15,000.00	1,662.00	11,942.00
Activity 7: Feasibility Analysis and Budget	13,000.00	10,465.00	0.00
Total	<u>100,000.00</u>	<u>77,642.00</u>	<u>22,358.00</u>

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

N/A

¹⁰ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.