



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	4732		
Country/Region:	Malaysia		
Project Title:	Improving Connectivity in the Central Forest Spine (CFS) Landscape - IC-CFS		
GEF Agency:	UNDP	GEF Agency Project ID:	4594 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	BD-2; LD-3; SFM/REDD+-1; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$10,860,000
Co-financing:	\$36,500,000	Total Project Cost:	\$47,360,000
PIF Approval:	April 13, 2012	Council Approval/Expected:	June 01, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Jean-Marc Sinnassamy	Agency Contact Person:	Midori Paxton

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	- Malaysia became a party to the CBD the 24 of June, 1994. - The UNCCD is entered into force the 23 of September, 1997.	
	2. Has the operational focal point endorsed the project?	Yes, a letter in date of November 26, 2011 is available. The letter is signed by the OFP (Dr. Lian Kok Fei). The right project name, the correct amount of GEF resources, and the Agency's name are mentioned.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	Addressed.	

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated 11-22-2010

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	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	NA	
	5. Does the project fit into the Agency's program and staff capacity in the country?	<p>- There is a UNDP office in Malaysia with administrative and financing staff. An experienced biodiversity conservation programme manager will be assigned.</p> <p>- The project is in line with the UNDP Country Programme Document.</p> <p>- UNDP has a strong portfolio in the region on SFM and REDD+, with a Regional Technical Advisor based in Bangkok.</p>	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> the STAR allocation? 	<p>The resources assigned for this project are coming from the STAR allocations (BD: \$7,000,000; LD: \$1,145,000) and the SFM/REDD+ incentive (\$2,715,000).</p> <p>The proposed grant is within the STAR resources available for Malaysia.</p>	
	<ul style="list-style-type: none"> the focal area allocation? 	<p>The resources assigned for this project are coming from the STAR allocations (BD: \$7,000,000; LD: \$1,145,000) and the SFM/REDD+ incentive (\$2,715,000).</p> <p>For each \$3 from two allocations (BD and LD), \$1 from the SFM/REDD+ program is added.</p>	
	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	NA	

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	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	NA	
	<ul style="list-style-type: none"> Nagoya Protocol Investment Fund 	NA	
	<ul style="list-style-type: none"> focal area set-aside? 	<p>The resources assigned for this project are coming from the STAR allocations (BD: \$7,000,000; LD: \$1,145,000) and the SFM/REDD+ incentive (\$2,715,000).</p> <p>For each \$3 from two allocations (BD and LD), \$1 from the SFM/REDD+ program is added.</p>	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	Addressed.	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	Addressed.	
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	<p>- The project is aligned with the National Tiger Conservation Action Plan (2008-2020) and the National Physical Plan (2005). The project should be compatible with the obsolete NBSAP (1998).</p> <p>- Please, confirm the references of the national plan to combat desertification that is mentioned in the text (p.4).</p> <p>January 20, 2012 Addressed.</p>	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	- Please, explain how the "different special units" created under the component 1 and 2 (specialized landscape management unit to implement the master plan, WildLife Crime Units, task force) will be maintained after the	

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		<p>project duration.</p> <p>- Please, explain is the State Forest Department have -or will have- the capacities to write decent Sustainable Forest Management plans.</p> <p>January 20, 2012 Addressed.</p>	
Project Design	<p>11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?</p>	<p>The baseline situation is well described. However, we have some questions or clarifications to ask:</p> <ul style="list-style-type: none"> - How can you estimate the loggers ability/desire to follow SFM plans. - Are the State Forest Department capacities enough to write acceptable SFM plans and to police them. - Moreover, it seems that nearly all of Peninsular Malaysia has Forest Management Certification and the standard has detailed requirement for biodiversity conservation (principle 6 on rare, threatened, and endangered species and habitats; principle 9 for High Value Conservation Forests). Could you please elaborate what is going to be done in relation to these standards? - Then, if these areas are already SFM certified how it is possible to say on page 6 a barrier is "limited experiences among key government and civil society stakeholders in implementing SFM on the ground"? 	

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		<p>- In the table page 9, it is mentioned that the MTC FM standard does not cover BD issues. Based on the information we have, this statement seems wrong. Please, justify or correct.</p> <p>- Depending on the responses provided to the points above, the reasoning and the logical result framework may have to be revised.</p> <p>January 20, 2012 Addressed.</p>	
	<p>12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?</p>		
	<p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?</p>	<p>See cell 11 and revise if appropriate.</p> <p>January 20, 2012 Addressed.</p>	
	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>- We welcome the use of around half of the resources for the main component devoted to activities on the ground (component 2). We would invite the Agency to even do more and allocate more resources for activities on the ground.</p> <p>- Under the component 2, all activities to maintain the "intactness of biodiversity in the landscapes" are welcome as explained in the text (p.7). However, other activities are not welcome in this GEF project and should</p>	

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		<p>be taken by the baseline projects. 1) Please remove any mention of use of GEF resources for certification of oil palm plantation, and confirm that no GEF resources will be used for that. Please confirm that cofinancing resources will be used for such activities. 2) Designation of production forests. The GEF does not have to finance activities that will potentially increase exploitation of forests. There is a wrong application of the incremental reasoning and a lack of focus of GEF resources. We see a risk of dispersal of GEF resources in too many activities, including activities that should not be charged to the GEF. Please revise the reasoning and concentrate the use of GEF resources on a reduced number of outcomes, outputs, and activities. The purpose is to well define the additional/incremental value of GEF resources and concentrate the GEF resources for more impacts and sustainable transformations.</p> <p>- Please detail what you mean by habitat rehabilitation of degraded lands in ecologically important areas. This kind of action can be out of the available resources for this project. How the impacts are going to be measured, monitored, and maintained beyond the project? Confirm that GEF resources will not be associated with the use of exotic species, or afforestation approaches. Please, note that the GEF</p>	

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		<p>does not want to be involved in land use change and every mention of "rehabilitation of ecosystems" need to be further detailed. Thanks.</p> <p>- To maintain a good visibility of activities, please make an effort to maintain all actions related to law enforcement and monitoring in the component 1 "Planning, compliance, monitoring, and enforcement framework for integrated forest landscape management". Some of these activities are mentioned under the component 2.</p> <p>- Please develop the sustainability aspects of socio-economic measures that go beyond the project duration (measures to abate human-wildlife conflicts, development of ecotourism, NPTF harvests).</p> <p>- What do you mean by "the project will support strengthening of coordination and deployment of multi-agency enforcement task force". We understand in the problem analysis that the lack of coordination is an issue, but is it to the GEF to finance such mechanism? Please, explain and correct. Component 3:</p> <p>- Please confirm that PES systems will address forest issues. In the result framework (table A), the only reference to water PES mechanisms is confusing (while it is better explained in the text).</p>	

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		<p>Please, explain.</p> <p>- The forest regulations and certification should be enough to enforce Biodiversity positive actions in the permanent forest estate. Will the PES be developed for non permanent forest estate areas? Please, clarify.</p> <p>January 20, 2012 Addressed.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>No.</p> <p>Please, keep in mind that the use of the SFM/REDD+ incentive has to be justified giving the gain in carbon per area and time unit. Please provide this information and the way of calculation (cf. p.9: 2.3 million tonnes of carbon by gazetting at least 20,000 ha fo state forests).</p> <p>January 20, 2012 We take note of the reasoning provided in the footnote page 2 under the result framework. We will expect a deeper reasoning at CEO endorsement, as the calculation seems us overestimated (actually, the SFM practices should obviously improve the situation but the result after SFM cannot be considered equivalent to an intact forest).</p> <p>Addressed.</p>	

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	<p>16. 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>While local communities, economic alternatives, and NTFP are mentioned, it seems that the project is too government oriented. We will invite UNDP to go deeper in the analysis of local stakeholders (land owners, private sector, local communities notably indigenous communities, professional organizations, traditional authorities, etc) to clearly assign a significant amount of GEF resources for activities on the ground involving non governmental bodies. Please, develop.</p> <p>January 20, 2012 Addressed.</p>	
	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>Not enough. We understand that further information will be gathered over the PPG. However, due to the existing GEF/UNDP portfolio in Malaysia, the partnerships with other NGOs, this section has to be developed at PIF level. Please develop.</p> <p>January 20, 2012 Addressed.</p>	
	<p>18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)</p>	<p>Partially.</p> <p>- One major risk identified in the text is not included in the very preliminary list of problems and risks: the behavior of land owners and logging companies inducing clear-cut, the multiplication of roads and forest trails, and the subconsequent development of agriculture.</p> <p>1) Please include this point in the risks, 2) At CEO endorsement, develop a</p>	

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		<p>comprehensive risk analysis and explain how you will manage this threat, and 3) assign enough resources for activities on the ground involving local stakeholders.</p> <p>January 20, 2012 Addressed.</p>	
	<p>19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>The project will be developed in good intelligence with other GEF/UNDP projects, as well as other NGO and governmental initiatives. Coordination with the other Tiger conservation projects will be assured through MYCAT.</p>	
	<p>20. Is the project implementation/ execution arrangement adequate?</p>	<p>We understand that the project will be implemented by the legitimate authorities at federal, state, and local level. However, please briefly indicate the main arrangements that are foreseen, notably to implement activities on the ground. Please describe how local stakeholders will be associated.</p> <p>January 20, 2012 Addressed.</p>	
	<p>21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		
	<p>22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?</p>		
	<p>23. Is funding level for project management cost appropriate?</p>	<p>- Please maintain management costs strictly under 10 percent (up to \$515,900).</p>	

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Project Financing		<p>January 20, 2012 The management costs are calculated based on the whole GEF project grant (\$10,860,000), while they have to be calculated based on the GEF resources used for technical activities (\$10,318,000). As requested during the first review, please reduce the management costs under \$515,900.</p> <p>January 31, 2012 Addressed.</p>	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>- We would like to see more resources allocated to the field to work with land holders, the private sector, local communities, the CSO (NGO and professional organizations), and less resources for capacity building (component 1), work with administrations (that should be paid by the baseline projects), or coordination activities. Please, revise.</p> <p>- Please remove monitoring and enforcement activities from the component 2, as it is the purpose of the component 1.</p> <p>- Please indicate what proportion of the projet will be spent on the ground.</p> <p>January 20, 2012 Addressed.</p>	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if	- Please explain the consistency of information between the table C (p5) and the text (p5 and 6). We have	

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	confirmed co-financing is provided.	<p>difficulties to track the information provided in the text in the table C.</p> <p>January 20, 2012 In the table C, UNDP provides \$1,500,000 in grant for cofinancing. In the responses and in the text p.69, there is only a reference to \$700,000 from UNDP core resources to develop the national REDD+ Strategy. Please, confirm.</p> <p>January 31, 2012 Addressed.</p>	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	<p>UNDP is providing \$1.5 million from its core resources.</p> <p>January 20, 2012 see cell. 25.</p>	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	We thank the Agency for the good work and the high standard concept. However, the PIF cannot be	

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		<p>recommended yet. Please address the comments above.</p> <p>January 20, 2012 We thank the Agency for the revised document. Please address the comments in the cells 23 and 25. Upon receipt of a revised document, the PIF will be recommended.</p> <p>January 31, 2012 We thank the Agency for the revised document. All points are addressed.</p> <p>Feb 7 2012 The GEFSEC received a revised PIF that adequately responds to earlier comments. However, the PIF requires further clarification and discussion regarding the proposed implementation arrangements.</p> <p>April 11, 2012 Following a new submission, a clarification has been given by email about a slight budget adjustment (actually to maintain management costs under five percent). The PIF is recommended for clearance.</p>	
	<p>31. Items to consider at CEO endorsement/approval.</p>	<ul style="list-style-type: none"> - Please provide a robust estimation of gains in carbon. - Develop a comprehensive risk analysis. - Develop the implementation arrangements. - Include a M&E plan. - Confirm the cofinancing. 	

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		- Provide an analysis of local stakeholders. - Confirm the partnerships on the ground, including how public participation, indigenous communities, and gender aspects will be taken into account.	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	December 05, 2011	
	Additional review (as necessary)	January 20, 2012	
	Additional review (as necessary)	January 31, 2012	
	Additional review (as necessary)	April 11, 2012	
	Additional review (as necessary)		

* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	The activities for project preparation are appropriate: there are seven main activities to produce the baseline and the main technical elements requested for the project document (tracking tools, assessments, M&E plan, financing plan, cost effectiveness assessment, etc). April 10, 2012 In relation to the activity 7, please be aware that the PPG can be used to prepare all the different baseline and assessments that are needed for the project consolidation. However, the project consolidation itself has to be undertaken by the agency and not by consultants. Please confirm.

		On the same line, we have concerns with some tasks given to the International forest landscape conservation and strategic planning specialist. It is mentioned two times that he will collate inputs from other consultants, and in the task (m), he is also responsible to draft the full project document and CEO request. This activity is the responsibility of the Agency and should not be financed by the PPG. Please, correct.
	2. Is itemized budget justified?	<ul style="list-style-type: none"> - We understand that this PPG is only financed by the BD focal area, as the table D has not been completed. Please confirm. - No objection on the itemized budget. The consultant costs are in the usual ranges and follow Agency policies.
Secretariat Recommendation	3. Is PPG approval being recommended?	<p>Feb 7 2012 The GEFSEC received a revised PPG that adequately responds to earlier comments. However, the PIF and PPG requires further clarification and discussion regarding the proposed implementation arrangements.</p> <p>April 11, 2012 Please address the comments above.</p> <p>April 30, 2012 The PPG is recommended for approval.</p>
	4. Other comments	
Review Date (s)	First review*	January 20, 2012
	Additional review (as necessary)	April 30, 2012

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