B & A



United Nations Development Programme

Project Document

Project title: Integrated landscape management for sustainable food systems, land use and restoration in Sabah		
Country(ies): Malaysia	**Implementing Partner (GEF Executing Entity):** Sabah Forestry Department	**Execution Modality:** UNDP Support Services to National Implementation (NIM)
Contributing Outcome (UNDAF/CPD, RPD, GPD): **United Nations Strategic Cooperation Framework Malaysia 2021-2025.** Outcome 2: By 2025, environmental sustainability and resilience are mainstreamed as priorities within the national development agenda, across all sectors and levels of society; Output 2.2: Natural resources, biodiversity and ecosystems are sustainably managed, adequately protected and conserved for long-term economic and environmental sustainability. Aligned with **UNDP Strategic Plan (2022-2025)** Output Signature Solution #4 (Environment); contributing to UNDP SP Result 4.1: Natural resources protected and managed to enhance sustainable productivity and livelihoods; and Result 4.2: Public and private investment mechanisms mobilized for biodiversity, water, oceans, and climate solutions.		
UNDP Social and Environmental Screening Category: SUBSTANTIAL	**UNDP Gender Marker:** GEN2	
Quantum Award ID: 1261909	**Quantum Project ID:** 01001625	
UNDP-GEF PIMS ID number: 6382	**GEF Project ID number:** 10237	
LPAC meeting date: 23 May 2023		
Latest possible date to submit to GEF: 5 May 2023		
Latest possible CEO endorsement date: 12 June 2023		
Project duration in months: 72		
Planned start date: 24 July 2024	**Planned completion date:** 24 July 2030	
Expected date of Mid-Term Review (MTR) submission to the GEF: 24 July 2027	**Expected date of Terminal evaluation (TE) submission to the GEF:** 24 January 2030	
Expected Operational Closure Date: 24 April 2031	**Expected Financial Closure Date:** 24 October 2031	

Brief project description:

The project is well aligned with the FOLUR impact program approach in working to promote integrated approaches, address negative externalities in production landscapes, and promote deforestation-free supply chains for palm oil at the landscape, jurisdictional, state, national, and transnational (regional) levels. The project components will facilitate the development of integrated landscape management systems in Sabah, with multi-stakeholder collaboration for effective land-use planning and management, building on existing efforts and structures. Conservation and restoration of natural habitats through public-private-community partnerships will leading to enhanced protection of high conservation value (HCV) and high carbon stock (HCS), safeguarding ecosystem services, and providing improved habitat and connectivity for globally significant biodiversity. Promotion of responsible value chains for palm oil and smallholder support will be undertaken through multi-stakeholder engagement at state levels, accelerating the jurisdictional approach in Sabah, and diversifying and improving agricultural practices to improve smallholder livelihoods.

FINANCING PLAN	
GEF Trust Fund	USD 7,368,807
(1) Total Budget administered by UNDP	**USD 7,368,807**
(2) Total confirmed co-financing to this project not administered by UNDP	**USD 65,113,144**
(3) Grand-Total Project Financing (1)+(2)	**USD 72,481,951**

SIGNATURES:

Signature: print name below Dato' Nor Azmie bin Diron Secretary-General Ministry of Economy	**Agreed by Government Development Coordination Authority**	**Date/Month/Year:** 10/9/2024
Signature: print name below Datuk Frederick Kugan Chief Conservator of Forests Sabah Forestry Department	**Agreed by Implementing Partner**	**Date/Month/Year:** 10/9/2024
Signature: print name below Manon Bernier Resident Representative a.i. UNDP Malaysia, Singapore & Brunei Darussalam	**Agreed by UNDP**	**Date/Month/Year:** 10/9/2024

I. TABLE OF CONTENTS

I. Table of Contents 3
II. Development Challenge 7
III. Strategy 28
IV. Results and Partnerships 37
V. Project Results Framework 71
VI. Monitoring and Evaluation (M&E) Plan 77
VII. Governance and Management Arrangements 91
VIII. Financial Planning and Management 96
IX. Total Budget and Work Plan 100
X. Legal Context 118
XI. Risk Management 118
XII. Mandatory Annexes 121
Annex 1: GEF budget template 121
Annex 2: Project map and geospatial coordinates of project landscape 121
Annex 3: Multiyear work plan 121
Annex 4: UNDP social and environmental screening report 121
Annex 5: UNDP risk register 121
Annex 6: Overview of project staff and technical consultancies 121
Annex 7: Stakeholder engagement plan 121
Annex 8: List of people consulted during project preparation 121
Annex 9: Environmental and social management framework 121
Annex 10: Gender analysis and gender action plan 121
Annex 11: Procurement plan 121
Annex 12: Climate and disaster risk screening report 121
Annex 13: COVID-19 risk and opportunities analysis and action framework 121
Annex 14: Baseline report on governance, policy, and land use planning 121
Annex 15: Baseline report on commodity supply/value chains and farmer support systems 121
Annex 16: Landscape profile 121
Annex 17: Estimation of GEF 7 core indicator end targets 121
Annex 18: GEF 7 core indicator worksheet 121
Annex 19: GEF 7 taxonomy 121
Annex 20: On-granting provisions applicable to the Implementing Partner 121
Annex 21: Partners capacity assessment tool and HACT assessment 121
Annex 22: UNDP project quality assurance report 121
Annex 23: UNDP checklist for all projects pending GEF approval 121
Annex 24: Additional agreements (cofinancing letters) 121
Annex 25a Execution support justification letter from IP to GEF OFP 121
Annex 25b GEF OFP execution support letter to GEF Secretariat 121
Annex 25c: Signed LOA between UNDP and IP requesting UNDP Support Services 121

List of Tables:

Table 1: Malaysian palm oil exports in 2019 and 2020 9
Table 2: Sabah palm oil exports in 2020 9
Table 3: Some of the major upstream companies operating in Sabah 10
Table 4: Some of the key international palm oil buyers and traders sourcing from Sabah 11
Table 5: Project contributions towards FOLUR Impact Program results 35
Table 6: Summary of baseline and incremental reasoning for Outcome 1 39
Table 7: Summary of baseline and incremental reasoning for Outcome 2 42
Table 8: Summary of baseline and incremental reasoning for Outcome 3 45
Table 9: Corporate Action Matrix 49
Table 10: Summary of baseline and incremental reasoning for Outcome 4 51
Table 11: Summary of baseline and incremental reasoning for Outcome 5 56
Table 12: Summary of baseline and incremental reasoning for Outcome 6 61

Table 13: Intersection of related initiatives with project outputs 64
Table 14: Monitoring and evaluation budget for project execution 90

List of Figures:

Figure 1: Physical map of Sabah 7
Figure 2: Oil palm planted area in Sabah, 1975-2021 (hectares) 8
Figure 3: Map showing project landscape 12
Figure 4: Land classification within the project landscape 13
Figure 5: Composite map of high conservation areas in the project landscape 14
Figure 6: Map of the Kinabatangan-Segama Catchment (Key Intervention Area No. 1) 15
Figure 7: Key Intervention Area No. 2, southwest Sabah 16
Figure 8: Map of Lower Sugut (Key Intervention Area No. 3) 17
Figure 9: Forest loss in Malaysia according to administrative divisions between 2010 and 2021 18
Figure 10: Problem tree analysis 19
Figure 11: Project theory of change 34
Figure 12: Stakeholder collaboration schematic 67
Figure 13: Project organisational structure 92

Abbreviations and Acronyms:

AG	State Attorney General Chambers (Sabah)
AWP	Annual work plan
BAU	Business as usual
BPPS-NCE-VF	Bureau for Policy and Programme Support, Nature, Climate and Energy, Vertical Fund team
CBFM	Community-based forest management
CBO	Community-based organization
CC	Climate change
CPD	Country programme document (UNDP Malaysia)
CPO	Crude palm oil
CPOPC	Council of Palm Oil Producing Countries
CSR	Corporate social responsibility
CTA	Chief Technical Advisor
DD	Due diligence
DOA	Department of Agriculture
DOPPA	Dayak Oil Palm Planters Association
ESIA	Environmental and social impact assessment
EPU	Economic Planning Unit (Sabah)
ESMF	Environmental and social management framework
ESMP	Environmental and social management plan
FELDA	Federal Land Development Authority
FFB	Fresh fruit bunches
FMP	Forest management plan
FMU	Forest management unit
FOLUR	Food Systems, Land Use and Restoration (GEF impact program)
FPIC	Free, Prior and Informed Consent
FSP	Full Sized Project
GCP	Green Commodities Programme
GDP	Gross domestic product
GHG	Greenhouse gas
GEB	Global environmental benefit
GEF	Global Environment Facility
GEFSEC	Global Environment Facility Secretariat
GRM	Grievance Redress Mechanism
GWP	Global Wildlife Program (GEF)
ha	Hectare

HCS	High carbon stock
HCV	High conservation value
HCVRN	High Conservation Value Resource Network
HoB	Heart of Borneo
IDH	The Sustainable Trade Initiative
ILM	Integrated landscape management
IP	Implementing partner / Impact program
IUCN	International Union for Conservation of Nature
JA	Jurisdictional Approach
JCSC	(Sabah) Jurisdictional Certification Steering Committee
KAP	Knowledge, attitudes and practices
KBA	Key biodiversity area
KM	Knowledge management
KPSM	Sustainable Palm Oil Grower Cooperatives
LDN	Land degradation neutrality
LGU	Local government unit
LIGS	Sabah Rubber Industry Board
LKSW	Lower Kinabatangan-Segama Wetlands
M&E	Monitoring and evaluation
MAFFI	Ministry of Agriculture, Fisheries and Food Industry (Sabah)
MoF	Ministry of Finance (Sabah)
MoLGH	Ministry of Local Government and Housing (Sabah)
MoRD	Ministry of Rural Development (Sabah) *Kementerian Pembangunan Luar Bandar - KPLB*
MTCE	Ministry of Tourism, Culture and Environment
MPC	Ministry of Plantation and Commodities (federal) *Kementerian Perladangan dan Komoditi - KPK*
MPOA	Malaysian Palm Oil Association
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysian Palm Oil Certification Council
MoU	Memorandum of Understanding
MSPO	Malaysian Sustainable Palm Oil certification scheme
MTCS	Malaysian Timber Certification Scheme
MTR	Mid-term review
MYR	Malaysian ringgit
NBSAP	National biodiversity strategy and action plan
NDPE	No Deforestation, No Peat, No Exploitation
NGO	Non-governmental organization
NPD	National Project Director
NRES	Ministry of Natural Resources and Environmental Sustainability (*Kementerian Sumber Asli dan Kelestarian Alam*)
NRO	Natural Resources Office (Sabah)
NTFPs	Non-timber forest products
OECM	Other effective area-based conservation measure
PANTAS	Sabah Native Land Services programme
PCA	Priority conservation area
PFD	Program framework document
PIMS	Project information management system
PIR	GEF Project Implementation Report
PMU	Project management unit
POPP	Programme and operations policies and procedures
PPG	Project preparation grant
PPP	Public private partnership

PTA	Principal Technical Advisor (UNDP)
REDD	Reducing emissions from deforestation and forest degradation
RISDA	Rubber Industry Smallholders Development Authority
RMK	*Rancangan Malaysia* (5-year Malaysian development plan)
RR	Resident Representative (UNDP)
RSPO	Roundtable for Sustainable Palm Oil
RTA	Regional Technical Advisor (UNDP)
SAFODA	Sabah Forestry Development Authority
SaBC	Sabah Biodiversity Centre
SDG	Sustainable development goal
SECO	Swiss State Secretariat for Economic Affairs
SECU	Social and Environmental Compliance Unit
SES	Social and environmental standards (UNDP)
SESA	Strategic environmental and social assessment
SESP	Social and environmental screening procedure (UNDP)
SFD	Sabah Forestry Department
SGDC	Sabah Geospatial Data Clearinghouse
SLDB	Sabah Land Development Board
SOP	Standard operating procedure
SPOC	Sustainable Palm Oil Clusters
SSP	Sabah Structural Plan
STAP	GEF Scientific Technical Advisory Panel
TBD	To be determined
TE	Terminal evaluation
TOR	Terms of reference
TPA	Totally protected area
TSA	Targeted scenario analysis
UNCCD	United Nations Convention to Combat Desertification
UMS	Universiti of Malaysia Sabah
UNPDF	United Nations Partnership for Development Framework
UNDP	United Nations Development Programme
UNDP CO	United Nations Development Programme Country Office
UNSPF	United Nations Strategic Partnership Framework (Malaysia)
UPM	Universiti Putra Malaysia
USD	United States dollar
WWF	World Wide Fund for Nature

II. DEVELOPMENT CHALLENGE

1. Malaysia is one of the 17 megadiverse countries[1] globally, richly endowed with biological diversity in its forests and marine ecosystems. The East Malaysian State of Sabah is the second largest state in the country at 73,620 sq. km (see **Figure 1**). Sabah's population grew from 3.21 million in 2010 to 3.41 million in 2020, with 2.02 million males, 1.86 million females and 728,200 households, making up approximately 10% of Malaysia's population[2]. Located in northern Borneo, Sabah has a variety of ecosystems, from cloud and montane forests in Crocker Range in the west, upland and lowland forests in the central region, and lowland forests in the east. The tropical rainforests of Sabah are important global carbon sinks and are also home to over 6,000 species of flowering plants, 450 bird species and 42 endemic mammal species. Globally significant species include the Bornean orangutan (*Pongo pygmaeus*, IUCN Red List Critically Endangered CR), proboscis monkey (*Nasalis larvatus*, IUCN Red List Endangered EN), sun bear (*Helarctos malayanus*, IUCN Red List Vulnerable VU), banteng (*Bos javanicus*, IUCN Red list EN), Sumatran rhinoceros[3] (*Dicerorhinus sumatrensis*, IUCN Red List CR), Borneo pygmy elephant (*Elephas maximus borneensis*, IUCN EN) and clouded leopard (*Neofelis diardi*, IUCN Red List VU). All these species are found in the Heart of Borneo (HoB) landscape in Sabah which is about 53.3% of Sabah's land surface[4].

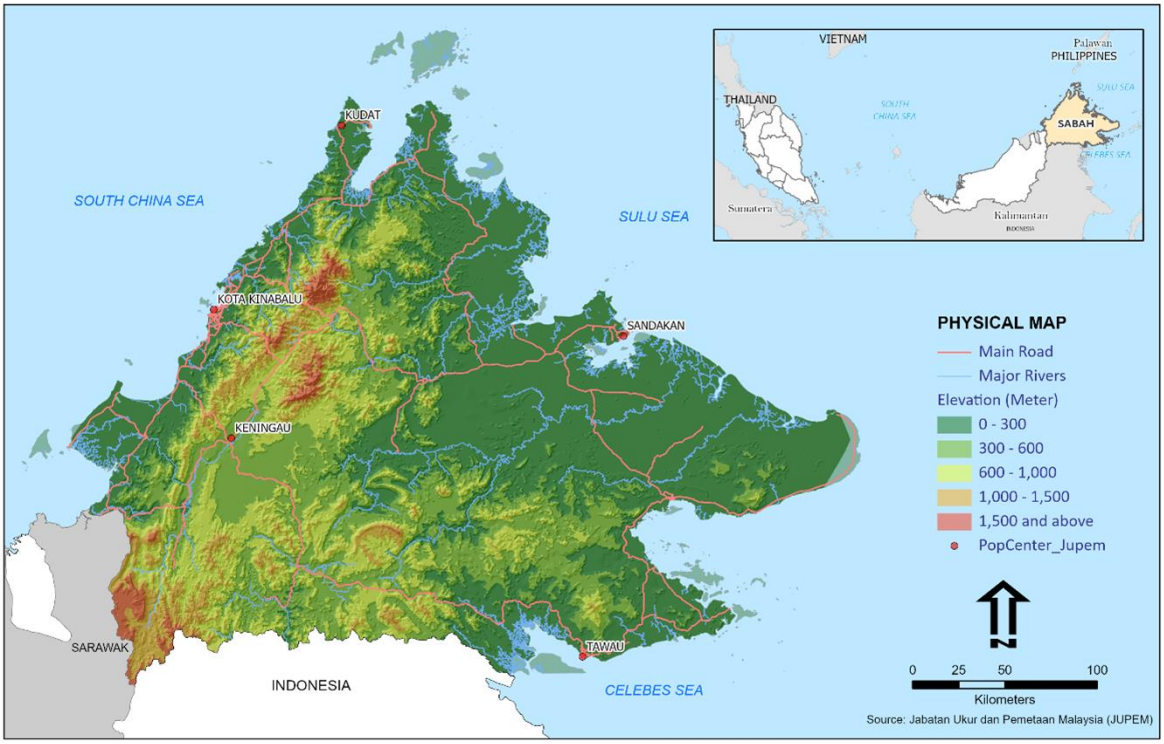


Figure 1: Physical map of Sabah

Context:

2. Malaysia's food system is shaped by agriculture and commodity production. At the national level, agriculture contributed 7.1% of the Gross Domestic Product (at 2015 constant prices, Department of Statistics) while in Sabah it contributed 15.9% in 2021. Both are intricately linked through land use systems and rural livelihood generation. Malaysia ranked 41 on the Global Food Security Index (GFSI) out of 113 countries with an overall score of 69.9[5]. From the four attributes that contribute to the overall score, Malaysia performed highest

[1] Mittermeier, R.A., Robles-Gil, P., Mittermeier, C.G. (Eds) 1997. Megadiversity. Earth's Biologically Wealthiest Nations. CEMEX/Agrupaciaon Sierra Madre, Mexico City

[2] Department of Statistics Malaysia

[3] Locally extinct in Malaysia since end of 2019.

[4] The HoB covers an approximate 220,00 km2 area of ecologically interconnected rainforest, which the countries of Indonesia (Kalimantan provinces), Malaysia (the states of Sabah and Sarawak) and Brunei Darussalam agreed in 2007 to the government-led and NGO-supported HoB Initiative, which aims to conserve the biodiversity of the HoB for the benefit of the people who rely upon it.

5 https://impact.economist.com/sustainability/project/food-security-index/explore-countries/malaysia

in terms of affordability (score of 87), quality and safety (74.7), availability (59.5) followed by the lowest scoring in terms of sustainability and adaptation at 53.7. Key challenges facing the sector are linked to increasing production costs and declining yields, climate risks and infectious diseases, shortages of labour because of rural to urban migration and high dependence on foreign labour[6]. This project provides the platform to strengthen the enabling framework to address the key challenges faced by the sector as well as elevating the capacity of the project stakeholders to address the gap related to Malaysia's scoring on the Global Food Security Index in terms of sustainability and adaptation.

3. The goal of long-term conservation and sustainable use of forests in Sabah is confronted by a number of threats and challenges, however. In recent decades, conversion and degradation of forest and peatland habitat have proceeded apace, driven by logging and expansion of oil palm and wood product plantations, as Sabah seeks to promote economic development, albeit at the cost of long-term loss of significant natural capital. For example, the planted area of oil palm in Sabah has increased from <60,000 ha in 1975 to >1.5 million ha in 2021, occupying approximately 21% of the total land area of the state (see **Figure 2**).

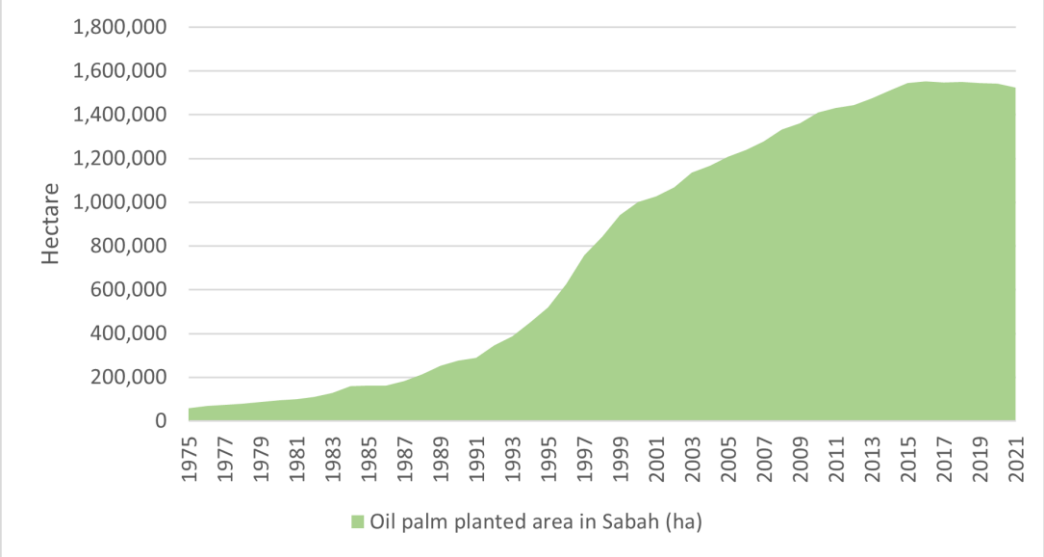


Figure 2: Oil palm planted area in Sabah, 1975-2021 (hectares)[7]

4. The oil palm industry has grown into a major economic force in Malaysia, now the fourth largest contributor to the economy, employing nearly one million people and an important foreign exchange earner. In 2020, oil palm accounted for 37.1% of the GDP of the agricultural sector, compared to 5.2% from forestry & logging and 2.5% from rubber.[8] Crude palm oil (CPO) production from Sabah represent a significant proportion nationwide, with 4,361,537 tons produced in Sabah in 2021, or 24% of the total 18.11 million tons produced in Malaysia that year.[9] As a global commodity, production and revenue are intrinsically influenced by market prices, export demand, trade policies and other externalities. The total CPO production in 2021 was actually down 5% from 2020, when 19.14 million tons were produced[10].But export revenues increased by 48% from MYR 73.33 billion (approx. USD 15.77 billion) in 2020 to MYR 108.52 billion (approx. USD 23.34 billion) in 2021 due to higher prices in the world trade.[11] Among the export destinations in 2020, China, Kenya, Philippines and South

6 Ministry of Agriculture and Food Industries. 2021. National Pathway for Food Systems Transformation. Presented at the United Nations Food Systems Pre-Summit (UNFSS), 26 - 28 July 2021 and Ministry of Plantation Industries and Commodities. 2021. National Agricommodity Policy 2021-2030

[7] Source: MPOB Economics and Industry Development Division. Retrieved from: https://bepi.mpob.gov.my/images/area/2021/Area_summary2021.pdf

[8] Department of Statistics Malaysia website: https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=72&bul_id=TDV1YU4yc1Z0dUVyZ0xPV0ptRlhWQT09&menu_id=Z0VTZGU1UHBUT1VJMFlpaXRRR0xpdz09

[9] MPOB Economics and Industry Development Division. Retrieved from: https://bepi.mpob.gov.my/index.php/en/production/production-2021/production-of-crude-oil-palm-2021

[10] MPOB Economics and Industry Development Division. Retrieved from: https://bepi.mpob.gov.my/index.php/en/production/production-2021/production-of-crude-oil-palm-2021

[11] MPOB. Overview of the Malaysian Oil Palm Industry 2021. Retrieved from: https://bepi.mpob.gov.my/images/overview/Overview2021.pdf

Korea showed increases from the previous year (see **Table 1**). In the case of Sabah, its top-five palm oil export destinations in 2020 were China, Philippines, U.S.A., India and Netherlands (see **Table 2**).

Table 1: Malaysian palm oil exports in 2019 and 2020[12]

Country of destination	2019 (tonnes)	2020 (tonnes)	Difference	
			Volume (tonnes)	%
China	2,490,503	2,730,660	240,157	10%
India	4,409,511	2,745,081	- 1,664,430	-38%
EU	2,077,465	1,937,088	- 140,377	-7%
Pakistan	1,085,546	1,003,601	- 81,945	-8%
Japan	498,359	433,022	- 65,337	-13%
Kenya	193,340	520,758	327,418	169%
Philippines	629,086	693,441	64,355	10%
South Korea	423,105	453,278	30,173	7%
Turkey	709,262	615,872	- 93,390	-13%
USA	542,161	540,349	- 1,812	0%
Vietnam	595,265	436,839	- 158,426	-27%
Total	**13,655,622**	**12,112,009**	**- 1,543,613**	**-11%**

Table 2: Sabah palm oil exports in 2020[13]

Country of destination	2020 (tonnes)
China	1,264,238
Philippines	549,790
U.S.A.	402,118
India	401,232
Netherlands	345,250
Japan	295,264
Pakistan	235,959
Taiwan	206,736
South Korea	202,546
Vietnam	192,053

5. The expansion of oil palm plantations in Sabah has resulted in considerable loss of forest resources. The total forest cover of Sabah HoB was reduced from 3,176,568 ha in 2015 to 2,948,357 ha in 2019, a reduction of 228,211 ha over the five-year period. Within and adjacent to the Sabah HoB area, conversion of lowland forest took place in some parts of the Sugut Watershed. Large tracts of upland forests were also cleared throughout Sabah except in the border areas with North Kalimantan, the vicinity of Danum Valley Conservation Area, Tawau Hills Park and the eastern section of the HoB. Conversion of montane forests happened on the slopes of Mount Kinabalu, the Crocker Range and the upper Padas area.[14]

6. The country is strategically positioned to turn this situation around, building on its historical commitment to forest conservation, through the network of protected areas across peninsular Malaysia and Borneo, and through implementing best-practice reduced impact logging in Sabah since the 1990s. The Sabah State Government has a policy to keep 50% of the state under forest cover, controlling expansion of commodities. And, in March 2019, the Cabinet of Malaysia approved a proposal by the Ministry of Primary

[12] MPOB Economics and Industry Development Division. Retrieved from: https://bepi.mpob.gov.my/index.php/en/?option=com_content&view=category&id=109.

[13] Source: Department of Statistics Malaysia, Statistics Yearbook Sabah 2020

[14] Source: WWF (forthcoming). Environmental Status of Borneo 2020 (draft)

Industries and Commodities to cap oil palm plantation expansion to 6.5 million ha in the country, up from 5.85 million ha reached at the end of 2018. The ban also includes restriction of development of peatland and conversion of permanent forest reserves for palm oil. There are certain exemptions for smallholders, which hold a significant proportion of the oil palm footprint and production. Malaysian Palm Oil Board (MPOB) statistics indicate that independent smallholders held 863,360 ha (15.1%) and various scheme smallholders held approx. 672,986 ha (11.7%) of the roughly 5.73 million ha planted in 2021. The ban on further expansion, no deforestation pledges and sustainability demands have mostly been oriented towards corporate plantations, but there are substantial risks associated with smallholders, irrespective of the size of their holdings.

7. The project will help fulfil Malaysia's pledge, made in 1992, to maintain at least 50% of its land area under forest and tree cover in perpetuity, in addition to signing the three Rio Conventions and the Paris Agreement. The Twelfth Malaysia Plan 2021-2025 sets out the country's vision for advancing sustainability and resilience though embracing circular economy and green growth. The country's National Agricommodity Policy 2021-2030 set forth five core thrusts — sustainability, productivity, value generation, market development and inclusivity. In line with the five core thrusts, the MPOB is reviewing the sustainability standards within the Malaysian Sustainable Palm Oil (MSPO) certification. In meeting the global demand for sustainability, three elements on economic cycle, forced labour and placement of plantation workers were added to the MSPO 2022, replacing the MSPO introduced in 2013. MSPO 2022 also witnesses the palm oil industry adopting the high conservation value (HCV) concept with national interpretation in MSPO HCV guidelines. MPOB is working towards the nationwide implementation of MSPO certification for all palm oil growers, including smallholders, to ensure the implementation of good practices across the whole supply chain. As of March 2022, 97.3% comprising oil palm plantations and smallholders as well as 453 out of the total 464 licensed palm oil mills in the country had received the MSPO certification[15]. The state of Sabah has committed to a deforestation-free supply chain by 2025, through a multi-stakeholder Jurisdictional Certification Steering Committee. The Third Sabah Agricultural Policy 2015-2024 stresses that 'further expansion of oil palm cultivation will not be encouraged'.[16]

8. The project specifically focuses on addressing sustainability issues in relation to the production of oil palm, which is one of the five globally-traded commodities specifically targeted by the GEF-7 FOLUR Impact Program, for which growing demand as sources of raw material for global commodity trade will increase deforestation risks worldwide and the value chains of which are associated with loss of natural habitats, erosion of genetic diversity, overexploitation of land and water resources, overuse of chemical fertilizers and pesticides, increased greenhouse gas emissions, and inefficient practices that lead to food loss and waste.

9. The palm oil industry in Sabah is dominated by several key players involved in production, processing and trade which are listed below in **Table 3**. Most of the companies listed below source palm oil from their own industrial plantations as well as from third-party suppliers which include privately owned plantations, independent smallholders, dealers and collection centres. There is some limited engagement from buyers into sustainable production initiatives in the region, principally through the Sabah Jurisdictional Certification Steering Committee.

Table 3: Some of the major upstream companies operating in Sabah

Company name	Key activities
Sime Darby Plantations	Plantation, milling, refining, processing, trading
IOI Corporation	Plantation, milling, refining, processing, trading
Kuala Lumpur Kepong Berhad	Plantation, milling, refining, trading
Genting Plantations Berhad	Plantation, milling, refining, trading
Federal Land Development Authority (FELDA / Felda Global Ventures Holdings)	Plantations, smallholder plantation management (Felda settlers programme)
Wilmar International Sdn Bhd.	Plantations, milling, refining, trading
Sawit Kinabalu	Plantations
TSH Resources	Plantations
Kim Loong Resources Bhd	Milling

[15] Source: MPOB

[16] Source: Ministry of Agriculture and Food Industry, Sabah. Third Sabah Agricultural Policy 2015-2024

Company name	Key activities
Note: These groups may be linked to subsidiaries involved in other parts of the palm oil supply chain - only the parent company name is listed above to avoid complications.	

10. Some buyers who source directly and/or indirectly from refineries in Sabah are listed below in **Table 4**.

Table 4: Some of the key international palm oil buyers and traders sourcing from Sabah

AAK (Secondary refiner and trader)	Louis Dreyfus Commodities (LDC)
Archer Daniels Midland (ADM) (Secondary refiner and trader)	Mars
Bunge Loders Croklaan	Mondelez
Cargill	Nestlé
COFCO International (Secondary refiner and trader)	Pepsi Co.
Colgate Palmolive	Procter and Gamble (P&G)
Fuji Oil (Secondary refiner and trader)	Unilever
IKEA	

Geographic scope of the project:

11. The project will work across the following geographic scope:

State level: The Lead Implementing Partner (Executing Agency) is the Sabah Forestry Department (SFD), and the project is aligned with SFD's mandate and work programme. Activities focused on strengthening the policy framework on integrated landscape management have a state-wide dimension. And the project will work directly with the Sabah Jurisdictional Approach (JA) to Certification of Palm Oil Initiative.

Project landscape: The project landscape, described below, was delineated through stakeholder consultations completed during the project preparation phase and including the major commodity production areas in the state as well as critical expanses of globally significant biodiversity. An integrated landscape management (ILM) framework will be developed for the project landscape, and interventions, including those involving oil palm smallholders and medium-sized growers, will be prioritised across the landscape.

Key intervention areas: Three key intervention areas have been identified within the project landscape, where the GEF funding can provide incremental value in advancing ongoing initiatives, including in the Kinabatangan-Segama Catchment and Lower Sugut Catchment, as well as in the southwest part of the state where there are important remaining stands of high conservation value forests.

Intervention sites: Intervention sites are locations within the project landscape where field level activities will be implemented. An intervention site may be defined as a single or a cluster of villages, a district, a specific location within a catchment, etc. A few potential intervention sites are discussed in the Project Document, but these sites will be selected and vetted during project implementation, e.g., as part of the development of the integrated landscape management framework.

***Project landscape**:*

12. The project landscape was selected taking into consideration the criteria of the FOLUR Impact Program, as listed below.

i. Production landscape that remains critical for global environmental benefits (GEBs) but where remaining forests are threatened by expansion of commercial commodities.

ii. Production landscape/system for globally important food crops or livestock that creates major externalities.

iii. "Frontier" landscape where opportunity exists to preempt expansion and get ahead of commercial-driven forest loss.

iv. Highly degraded landscape in need of restoration for the ecosystem services they provide to agriculture production.

13. The project landscape covers 12 districts in Sabah namely Beluran, Kalabakan, Keningau, Kinabatangan, Kunak, Lahad Datu, Nabawan, Sipitang, Tawau, Telupid, Tenom and Tongod (see **Figure 3**). These districts have a combined land area of 5,383,200 ha, constituting 73.1% of the total land area of Sabah. The cumulative area of totally protected areas within the landscape is 1,956,109 ha; thus, the total area excluding protected areas is 3,427,019 ha.

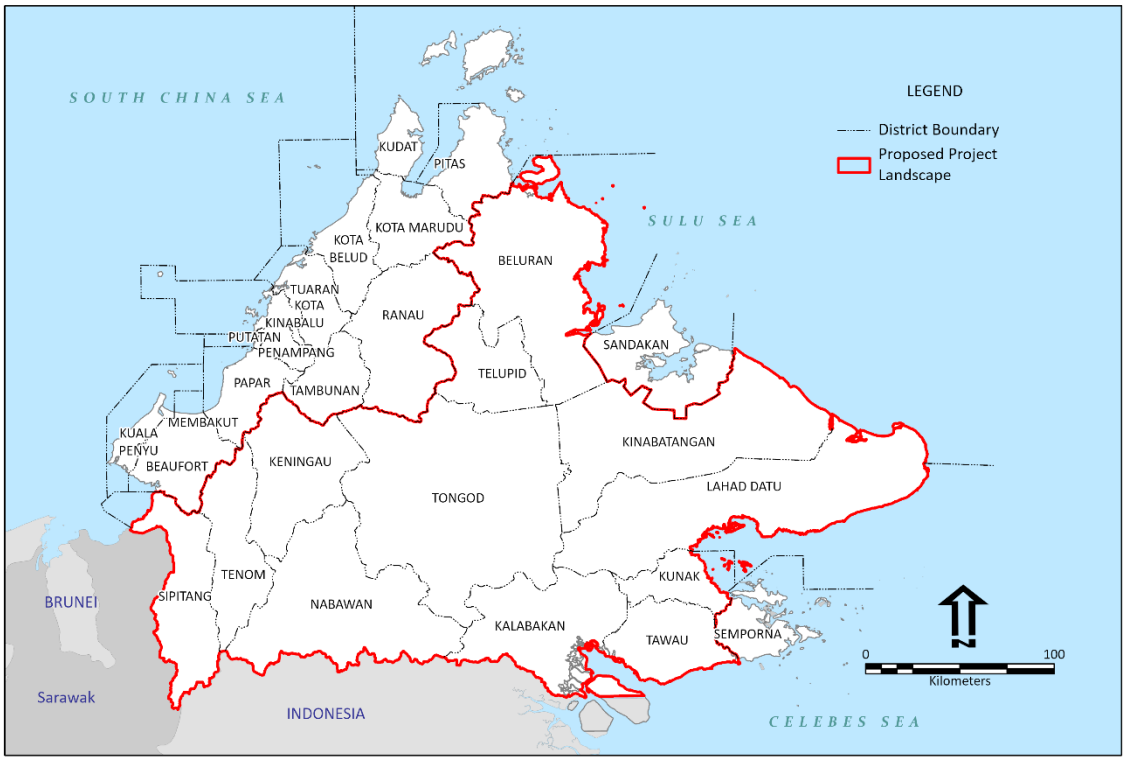


Figure 3: Map showing project landscape

14. According to available information at the Department of Statistics Malaysia (DOSM), the 12 districts in the project landscapes had a cumulative population of 1,407,826 inhabitants in 2020, comprising of 36% of the state's total population. Some of the districts in the project landscape have the highest incidence of poverty in Malaysia. Tongod, which is part of the project landscape has an incidence of absolute poverty of 56.3%. Telupid, Nabawan and Kinabatangan have also experienced high incidence of absolute poverty of above 30%.[17] Effective management of the natural resources in the project landscape is therefore crucial for the long-term wellbeing and livelihoods of the local community.

15. The project landscape consists of 2,110,833 ha of forest reserves, out of which 965,823 ha (or 46% of the total forest reserves) are Class II – Commercial Forest Reserve; 818,200 ha (39%) are Class I – Protection Forest Reserve; 139,503 ha (6%) are Class VII – Wildlife Reserves; 109,754 ha (5%) are Class V – Mangrove Forest Reserves; and 165 ha (less than 0.01%) are Class IV – Amenity Forest Reserve. Together these forest reserves constitute about 39.2% of the project landscape's area. The forest reserves are administered by Sabah Forestry Department. Alienated lands also form a significant part of the project landscape. Administered by the Lands and Surveys Department, alienated lands are land areas which have been alienated either on Country Lease or Native Titles. These lands may be developed as agricultural land such as for oil palm plantations. In fact, 26.8% (1,444,937 ha) of the project landscape were planted with oil palm in 2020. Other important land uses include state parks (administered by Sabah Parks such as the 27,972 ha Tawau Hills Park), wildlife sanctuaries (administered by Sabah Wildlife Department such as the 26,103 ha Lower Kinabatangan Wildlife Sanctuary), and residential and commercial (for development or use by residential property and commercial developments, respectively, which are administered by Lands and Surveys Department) (see **Figure 4**).

[17] Source: Department of Statistics Malaysia. Statistic Yearbook Sabah 2020

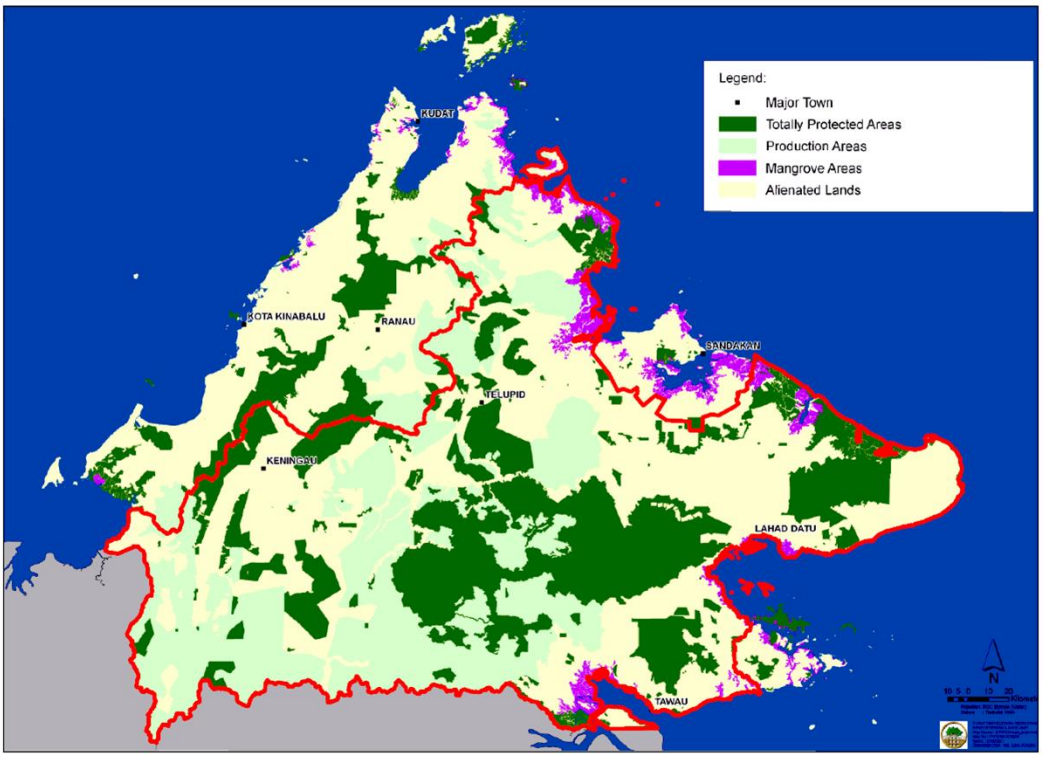


Figure 4: Land classification within the project landscape[18]

16. Class II - Commercial Forest Reserve is one of the main features of the project landscape. Besides, a vast area of the project landscape is planted with oil palm. In fact, 80% of the planted area of oil palm in Sabah are found in the project landscape. There are other food and industrial crops in the project landscape, but oil palm is by far the most dominant crop with a total planted area of more than 1.4 million ha.

17. The target landscape is highly significant in terms biodiversity values, as the area is overlapped with the Heart of Borneo (HoB), and total of 132,600 ha is classified as highly protected reserve forests: Maliau Basin Conservation Area (58,800 ha), Imbak Canyon Conservation Area (30,000 ha), and Danum Valley Conservation Area (43,800 ha). Significantly, high conservation areas (HCAs) comprising of high conservation value areas (HCVAs) and high carbon stock areas (HCSAs) are found outside the protected areas in the project landscape. The Sabah Forestry Department has identified 770,000 ha of HCAs in Class II - Commercial Forest Reserve; 150,000 ha in mangrove forests; 105,990 ha in state lands[19] and 30,600 ha in alienated lands. Many of the HCAs are located next to oil palm plantations (see **Figure 5)**. This situation underscores the need to adopt an integrated land use planning strategy to effectively protect and conserve the HCAs in the project landscape.

[18] Source: Sabah Forestry Department (forthcoming). Sabah Heart of Borneo Strategic Plan of Action 2021-203

[19] State lands are land areas which are owned by the government and not developed for any specific purpose, administered by Lands and Surveys Department and Natural Resource Office.

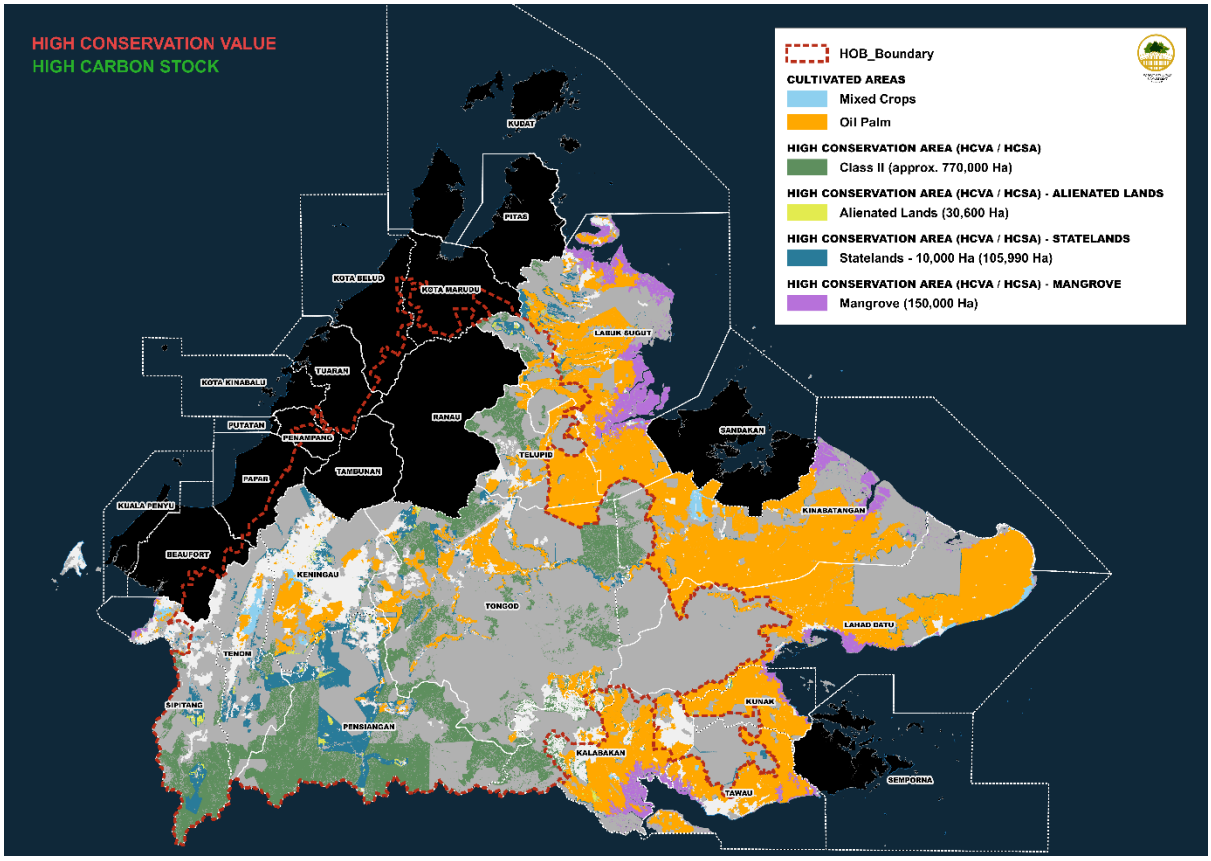


Figure 5: Composite map of high conservation areas in the project landscape[20]

Key Intervention Areas:

18. During the baseline analyses made during the PPG phase, three key intervention areas were identified in the project landscape for potential intervention. Adopting a landscape approach that aims at reconciling competing demands for allocating and managing land in order to achieve social, economic, and environmental objectives, some these key intervention areas go beyond site-based conservation to traverse administrative district borders.

19. **Key Intervention Area No. 1: the Kinabatangan-Segama Catchment (including the Tongod, Kinabatangan and Lahad Datu districts):** The Kinabatangan River is 560 km long, the second longest river in Malaysia. It has a water catchment area of about 16,800 km^2. The river has its headwaters in the mountains of southwest Sabah in Tongod, flowing east through Kinabatangan district and to its outlet at the Sulu Sea which is part of the Coral Triangle (see **Figure 6**). The Segama River is the second longest river in Sabah, spanning 350 km long, with a catchment area of approximately 4,124 km^2. The lower reaches of the two rivers were designated as Ramsar Site on 28 October 2008, covering 78,803 Ha, being the largest Ramsar site in Malaysia.

[20] Source: Sabah Forestry Department (2022). Generated for the GEF-UNDP Project on Integrated landscape management for sustainable food systems, land use and restoration in Sabah

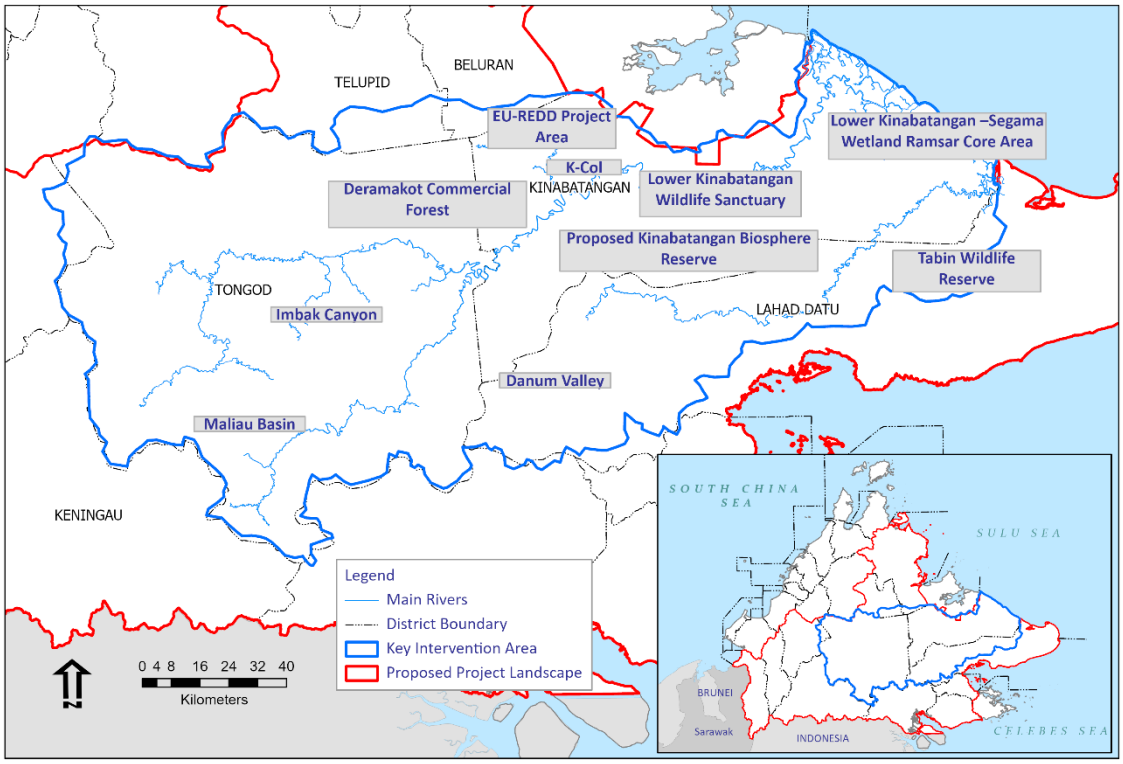


Figure 6: Map of the Kinabatangan-Segama Catchment (Key Intervention Area No. 1)

20. The catchment area is a major hotspot for biodiversity and is well-known for its abundant and diverse wildlife. It has a variety of forest types that support the habitats of a wide range of animal species including potentially all ten species of primates in the Lower Kinabatangan-Segama Wetlands (LKSW)[21]. The area also supports 25 species of fauna and 9 species of flora that are listed in IUCN Red List of Threatened Species and Appendices I or II of the Convention on International Trade in Endangered Species (CITES)[22]. Forest fires, illegal hunting, competition for land for logging and agriculture, expansion of oil palm plantations previously in the midstream and downstream regions and water pollution have adversely affected its ecological connectivity and services. The LKSW Ramsar Site Management Plan recognises the importance of strengthening linkages between government agencies, the community, and industry in achieving environmental conservation, connectivity and protection in the Kinabatangan and Segama river basins. While efforts have been intensified to enhance the management of the LKSW Ramsar Site core areas, initiatives in the buffer area are lacking due to the sheer size of the river basins. The landscape includes three major conservation areas (Danum Valley, Maliau Basin and Imbak Canyon), as well as the Deramakot, Ulu Segama Forest Reserves, and part of Tabin Wildlife Reserve. It also includes key initiatives such as the proposed Kinabatangan Biosphere Reserve, Kinabatangan Corridor of Life (KCol) and the recently concluded European Union Reducing Emissions from Deforestation and forest Degradation (REDD+) project site. This intervention adopts an integrated approach that take into account a wide range of ecological, economic and social factors and facilitates the participation of key government departments, district offices, forest industries, oil palm plantations, local communities, NGOs, etc. The project focus will be on supporting integrated landscape management and restoring degraded areas in the catchment that are vital for reviving ecological services, creating wildlife corridors and improving wildlife habitat.

21. **Key Intervention Area No. 2: Southwest Sabah - Nabawan, Keningau, Tenom districts**: This intervention area involves restoring degraded areas outside the protected forest reserves (Class I) in three contiguous districts in southwest Sabah, an integral part of the Heart of Borneo landscape. Biodiversity values are high in this area, with high distribution of isolated orangutan and occurrence of endemic species such as endangered timber species under the IUCN red list, including keruing (Dipterocarpus spp.) and kapur (genus Dryobalanops). These areas, once restored, will contribute to the ecological connectivity in the region which also forms part of the Pensiangan-Ulu Padas Landscape under the Large Natural Landscape initiative promoted by

[21] Sabah Forestry Department Lower Kinabatangan-Segama Wetland (LKSW) Ramsar Site presentation on 29 September 2022

[22] Ibid.

Sabah Forestry Department. More specifically, this intervention will entail effort to: (a) restore the areas between FMU 5 and FMU 6, where forest ecosystems have been fragmented by a strip of alienated land (see potential intervention site 1 shown in **Figure 7**); (b) restore the riparian of Padas River network or involve the local community to collaboratively manage the buffer zone between settlement areas and Gunung Lumaku Forest Reserve (potential intervention site 2 shown in **Figure 7**); (c) restore the degraded areas in FMU 11 community compartment and 34,000-ha Nabawan Scheme (potential intervention site 3 shown in **Figure 7**); and (d) restore the land swapped from local communities in 2017 which is located between the Pensiangan Forest Reserve (Class I) and Mandalom Forest Reserve (Class II) (potential intervention site 4 shown in **Figure 7**).

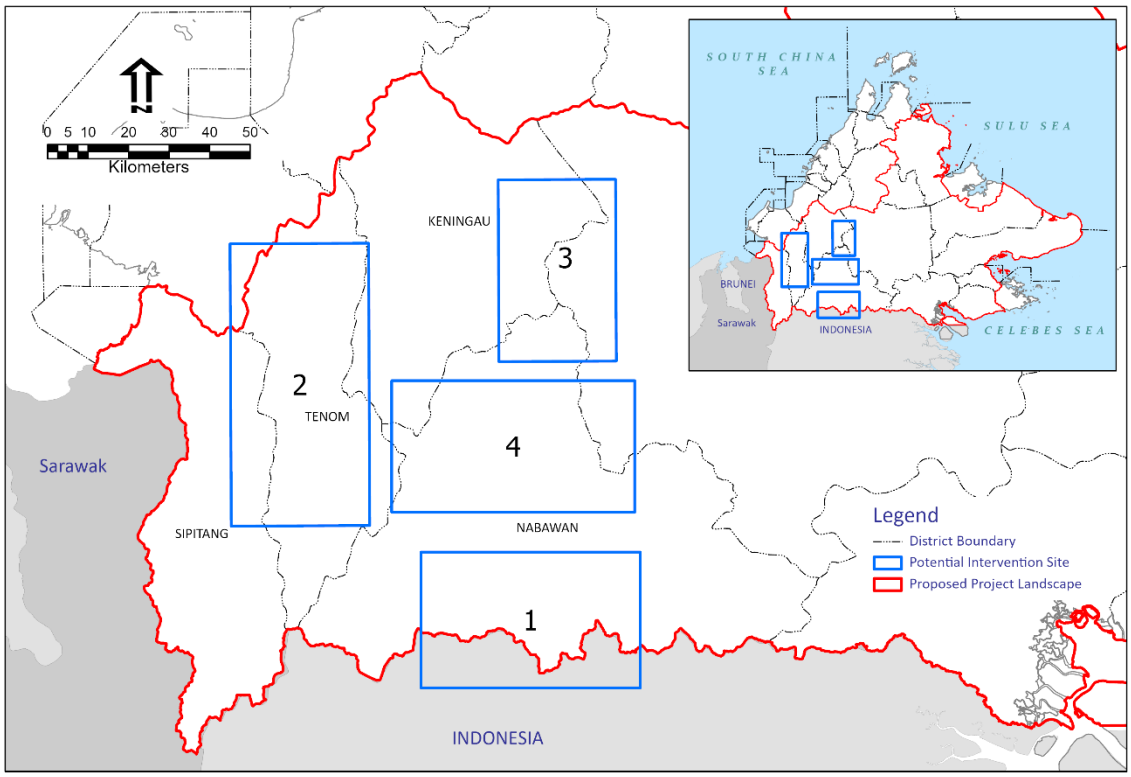


Figure 7: Key Intervention Area No. 2, southwest Sabah

22. **Key Intervention Area No. 3**: **Lower Sugut** [23] **(Beluran district):** The 217,046 ha Lower Sugut intervention area is in north-eastern Sabah (see **Figure 8)**. The Sugut River is 178 km long with its headwaters in the foothills of Mount Kinabalu, flowing eastwards to its outlet at the Sulu Sea. The upper part of the Sugut River Basin is largely dominated by settlement areas and small-scale oil palm plantations (smallholders). The Lower Sugut is dominated by Class 1 Forest Reserves and large oil palm plantations. The area is home to Bornean orang-utans, bantengs, Sunda clouded leopards, Malayan sun bears, bay cats, pig-tailed macaques, oriental small-clawed otters, banded palm civets, bearded pigs and sambar deer. The project interventions will focus on repairing the area's degraded ecosystems by replanting trees and establishing ecological corridors to reconnect fragmented wildlife populations.

[23] Adopted as part of WWF-Malaysia's Living Landscapes Programme

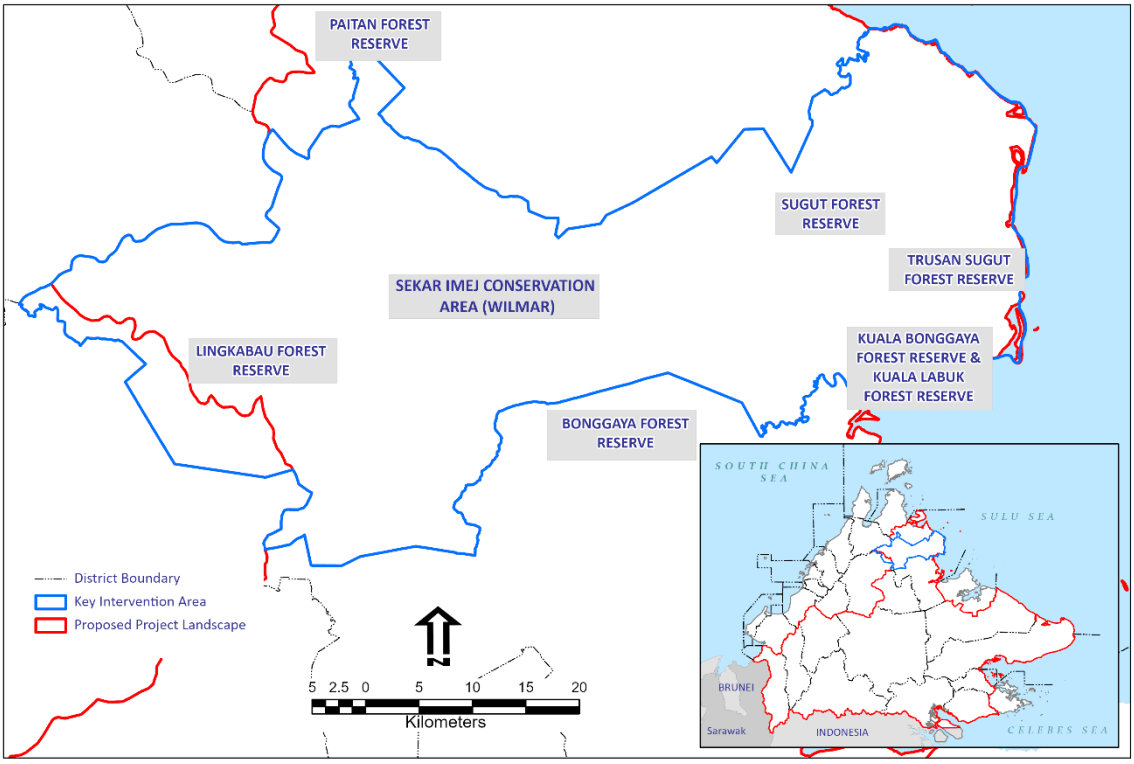


Figure 8: Map of Lower Sugut (Key Intervention Area No. 3)[24]

Intervention Sites:

23. Specific sites for intervention will be confirmed during development of the integrated landscape management framework under Output 1.1 and the supporting assessments carried out in Outputs 5.1.

More information on the project landscape and key intervention areas is provided in the *Landscape profile* in **Annex 16** to the Project Document.

Threats and root causes (drivers):

24. Although there remains significant forest cover in the project landscapes, much of it is fragmented and degraded. **Increasing population** is an important threat to forest resources, with growing demand for food, water, houses, jobs, energy, transportation, and other infrastructure. The Pan Borneo Highway, which transverses the project landscape, through high conservation areas. Large-scale **agricultural development** in the 1990s has led to widespread forest loss, and while this has continued in various forms, there has been as resurgence in small and medium scale agriculture, as populations have returned to rural areas from urban centres that are increasingly expensive to dwell in, and from resettlement schemes to claim areas in ancestral lands now that infrastructure has improved. The **lack of a land development models** other than commodity crops (rubber and oil palm), and weak smallholder support, have resulted in more land converted into oil palm and rubber. Sabah continues to deal with a series of legacy issues, associated with earlier unsustainable management effects. For instance, in the 1960s and 70s, peatlands were considered a wasteland and drained to improve productivity. There also has been extensive timber extraction in the past. While forest loss in Sabah over the period 2010-2021 may be not as high as some areas in Sarawak and Peninsular Malaysia, there remained to be active deforestation in the state including in the project landscape (see **Figure 9**).

[24] Source: WWF-Malaysia, the Sabah Landscapes Programme https://www.wwf.org.my/sabahlandscapes/our_work/landscapes/

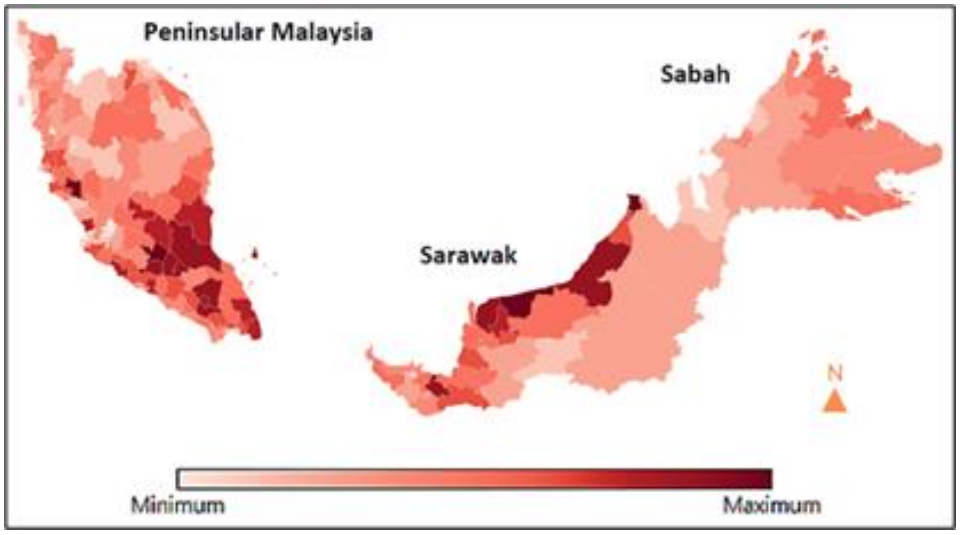


Figure 9: Forest loss in Malaysia according to administrative divisions between 2010 and 2021[25]

25. The effects of **climate change** are expected to have widespread impacts, e.g., an increase in precipitation or extended dry periods can destroy habitats and prompt oil palm farmers to grab additional land to compensate for productivity deterioration. The 1997 strong *El Nino* was shown to have affected the productivity of the forest and increased mortality of large trees. Prolonged drought periods also pose a risk for **forest fires**, particularly in peatland ecosystems. **Hunting and poaching** continue to present a substantive threat to large forest fauna.

26. As outlined in the National REDD Plus Strategy, **drivers of forest degradation** were identified as: (a) forest fragmentation; (b) encroachment from past activities like agriculture and settlements; and (c) legacy issues from past management and shifting cultivation.

Threats and root causes are graphically illustrated on the problem tree presented in **Figure 10**.

[25] Source: Department of Statistics Malaysia https://kawasanku.dosm.gov.my/

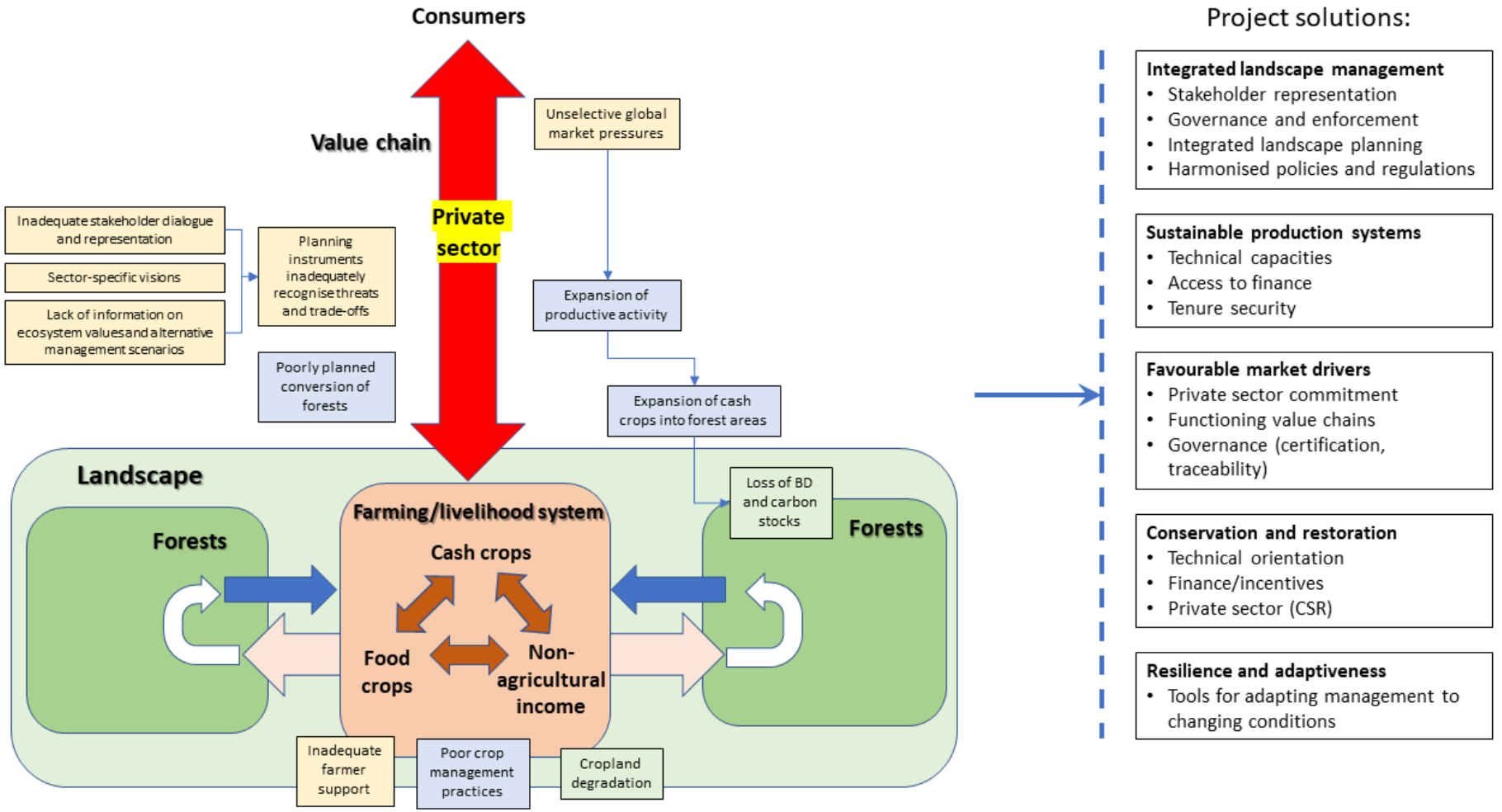


Figure 10: Problem tree analysis

Baseline initiatives and policy and development frameworks:

27. Some of the key complementary baseline initiatives and policy and development frameworks are outlined below. The project will build upon lessons learned and strengthened capacities, and foster synergies through interaction on multi-stakeholder governance platforms, delivery of capacity building through learning-by-doing approaches and co-financing arrangements.

National/Federal:

28. **12th Malaysia Plan (2021-2025)**. The objective of the Twelfth Plan is to achieve a prosperous, inclusive and sustainable Malaysia, in line with the Shared Prosperity Vision 2030 (SPV 2030). The Twelfth Plan is anchored on three key themes, namely resetting the economy, strengthening security, wellbeing and inclusivity, as well as advancing sustainability. The national development priorities of the Twelfth Plan will continue to be aligned to the Sustainable Development Goals (SDGs) of the 2030 Agenda. In the theme "Advancing sustainability", it advocates circular economy, Integrated Water Resources Management (IWRM) and Green Economy Indicators. Natural ecosystem science and approaches will be mainstreamed into development planning and decision-making to ensure uninterrupted ecosystem services. In this regard, vital natural areas, such as High Conservation Value areas, Important Bird and Biodiversity Areas, and Particularly Sensitive Sea Areas will be recognized and protected.

29. **National Agri-commodity Policy (2021-2030).** This Policy sets the direction for the agri-commodity industry in Malaysia with sustainability as one of its priority policy directions, focusing on sustainable production and consumption and scaling up circular economy. It promotes green growth through certification and traceability across the value chain and reinforcement of the Government's policy towards sustainable oil palm cultivation.

30. **National Agro-food Policy, 2021-2030 (NAP 2.0):** The policy aims to develop a sustainable, resilient and technology-based agro-food sector in driving economic growth, improving the well-being of the people as well as prioritising food security and nutrition. It supports sustainable food systems while strengthening conservation of forests and biodiversity and reduction in pollution through the adoption of sustainable farming practices.

31. **Heart of Borneo (HoB) Initiative**. The HoB initiative is a voluntary transboundary cooperation aiming at conserving and managing the transboundary highlands of Borneo and parts of the adjacent foothills and lowlands, which straddle the borders of Brunei Darussalam, Indonesia, and Malaysia. This initiative has been included on the Federal government's agenda for many years, committed to its implementation, the Ministry of Energy and Natural Resources[26] has contributed funding for various projects and activities implemented by the various state government agencies under the initiative.

32. **National Landscape Policy.** The policy is aimed at creating holistic, quality, unique and sustainable landscapes to realise the vision of Beautiful Garden Nation towards improving the quality of life and increase economy competitiveness in Malaysia. It serves as an instrument to ensure wise management of national landscape resources and assets as well as addressing global warming and climate change issues.

33. **Social Forestry Strategic Plan of Malaysia (2021-2025):** The plan presents a framework for social forestry programme implementation in Malaysia to support integrated governance (community and authorities) and **resolving land issues** through policy and legislative measures. The strategic plan also promotes the need for increasing capacity through human resources, public awareness, collaboration and social forestry database, mainstreaming social forestry financing into federal and state policies and creating incentive systems to encourage participation in social forestry, In addition, mapping and formulation of forest resource management plans at the community level including identifying potential non-forest timber produce and services and mechanisms for benefit sharing is also promoted.

34. **Malaysia Sustainable Palm Oil (MSPO) certification**. Introduced in 2013, the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme is the national scheme in Malaysia for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards. MSPO Standards contains seven (7) principles which form the general requirements of a

[26] Formerly known as Ministry of Water, Land and Natural Resources

management system framework, based on the three pillars of sustainability, i.e., economically viable, socially acceptable, and environmentally sound. The total oil palm area in Malaysia certified under MSPO as of 07 October 2022 was 5,753,703.1 ha.

35. **Sustainable Palm Oil Clusters (SPOC) programme**. The SPOC programme, implemented by the Malaysian Palm Oil Board (MPOB) aims to Aims to improve productivity, sustainability and farmer incomes by improving best agriculture practices. Organisation of farmers into cooperatives, technology transfer, extension services and replanting funding assistance are the key components of the initiative.

36. **Sustainable Oil Palm Grower Cooperatives (KPSM)**. The focus of KPSM, implemented by the MPOB, is to remove and scrutinise dealers and middlemen in the supply chain who take advantage of independent smallholders by reducing their FFB buying price with a main interest in securing higher profitability when selling FFB to mills. KPSM cooperatives are set up to help smallholders sell FBB at a stable (higher price) directly to mills. Smallholders act as members, appoint one (1) lead farmer and one (1) MPOB Tunas officer as a board member of the cooperative,

37. **Malaysian Timber Certification Scheme (MTCS)**. The Malaysian Timber Certification Scheme (MTCS) is a local voluntary certification scheme owned by the Malaysian Timber Certification Council (MTCC). It provides independent assessment for sustainable forest management practices and the audit of timber product manufacturers and exporters under chain of custody certification to assure timber products are sourced from MTCS-certified forests.

38. **GEF Small Grants Programme (SGP) in Malaysia, 7th Operational Phase**. Malaysia is one of the SGP Upgraded Country Programmes, and two of the three target landscapes in the full-size project being developed under GEF-7 are located within the Heart of Borneo, one in Sabah (Crocker Range) and one in Sarawak (Upper and Middle Baram).

39. **IFAD-GEF Sustainable Management of Peatland Ecosystems in Malaysia (SMPEM)**. The objective of this project, being implemented under GEF-6 (GEF ID: 9270) is to strengthen national policy and institutional capacity for implementing peatland related strategies and plans and to enhance integrated sustainable peatland management in targeted landscapes.

State level:

40. **Sabah Maju Jaya Development Plan (2021-2025).** The plan serves as a guide for the direction of Sabah's government policies and programs, guiding strategic implementation to achieve targets that coincide with the development needs of the state. The plan is centred on three (3) main thrusts namely Agriculture, Industry and Tourism as the focus of economic growth; Human Capital and People's Welfare; as well as Green Infrastructure and Sustainability Network.

41. **Sabah Development Corridor Blueprint 2.0 (2021-2030).** The SDC Blueprint 2.0 sets out the Vision for the SDC to be a Competitive, Inclusive and Sustainable Corridor by 2030 with the theme Sustainable Growth with Equity and Social Inclusion. It is guided by five Strategic Thrusts, ST1: Restructuring Business and Industry Ecosystem, ST 2: Spurring Key Economic Growth Activities, ST3: Transforming Human Capital, ST4: Improving Regional Inclusion and ST 5: Enhancing Environmental Sustainability. The SDC Blueprint 2.0 emphasises sustainable production and consumption particularly to facilitate and incentivise certification and sustainability practices (e.g., oil palm, forest plantations, agrifood, tourism, events etc) and prioritises green growth in terms of enhancing natural capital, community livelihoods, wildlife management and forest restoration.

42. **Sabah Structure Plan 2033 (2016-2033).** The SSP2033 was prepared under the provision of the Town and Country Planning Ordinance (Sabah Cap. 141), Section 4E, and it covers the whole State and its territorial waters (including Exclusive Economic Zone). SSP2033 represents a long-term strategic planning document that will guide and direct the State's future physical growth and development up to 2033. The plan describes the strategic importance of safeguarding areas identified as high conservation value environment (HCVE) and Priority Conservation Areas (PCA) on land, islands, and territorial waters.

43. **Sabah Forest Policy, Sabah Forestry Department, 2018:** The Policy emphasises the State's commitment to managing designated forest areas and tree cover through sustainable forest management while considering environmental, social and economic sustainability. It includes the State Government's pledge to maintain 50% of Sabah's land mass under forest reserves and tree cover and preserve at least 30% of Sabah's land area as Totally Protected Areas by the year 2025. The policy also reflects the State Government's efforts towards restoring degraded forests to enhance their ecological functions The policy further stipulates the need for the identification and protection of High Conservation Value (HCV) sites within forest areas and promote diversification of revenue sources while strengthening the participation of local communities.

44. **Sabah Agriculture Blueprint (2021-2030)**: The Agriculture Blueprint sets out strategies and targets to support its goal towards achieving sustainable agricultural transformation that will result in significant growth in the agricultural sector, participation of young agro-entrepreneurs, expanding incomes for farm households, improved food security and increased agricultural export. The Sabah Agricultural Blueprint supports the Third Sabah Agricultural Policy (2015 – 2024) that outlined its strategic goals to enhance food security, strengthen productivity growth and ensure long-term economic resources and environmental sustainability.

45. **Action Plans for the Sabah State Policy on the Environment (2018-2033)**. The Sabah Environmental Action Plan outlines three objectives, namely, to provide a vision for environmental conditions and standards, an environmental framework for regulatory mechanisms, and guidance for all decision makers and implementing agencies in the execution of the mandates and duties. Some of the strategies outlined in this action plan include introducing incentive schemes to increase wilderness areas, wildlife refuges, recreational areas on alienated land; intensifying water catchment regulations to regulate land management regime; protecting forest habitats and ecosystems covering at least 50% of Sabah's land area; expanding coverage of protected areas to 30% of Sabah's land territory; continue rehabilitating degraded forest areas through enrichment planting and other silviculture methods; allocating areas for development through proper assessment and zoning.

46. **Sabah Jurisdictional Approach to Certification Initiative (2015-2025)**. The state of Sabah is committed to achieving 100% MSPO certification and in parallel is working towards achieving the Sabah jurisdictional certification approach, which is a 10-year initiative (2015-2025) adopted in 2015 with the goal of bringing all oil palm plantations in Sabah, including smallholders towards 100% Roundtable on Sustainable Palm Oil (RSPO) certification by 2025. The objectives of the initiative include transforming Sabah's palm oil production and supply chains, halting deforestation, restoring ecosystems, and securing sustainable livelihoods. More information is presented in **Annex 7** (S*takeholder engagement plan*) and **Annex 15** (*Baseline report on supply/value chains and farmer support systems*).

47. **Sabah Heart of Borneo Strategic Plan of Action (2021-2030)**. The strategic plan of action aims to support the HoB vision through the implementation of five key focus areas on Transboundary Management, Protected and Conserved Area Expansion and Management, Sustainable Natural Resource Management and Biodiversity Conservation, Ecotourism Development and Capacity Building. The plan is also underpinned by financial and communication strategies to support the implementation of its strategies and actions.

48. **Sabah Biodiversity Strategy (2012-2022):** The Strategy seeks to support the conservation and sustainable use of Sabah's biological resources while ensuring access and benefit sharing of the State's biological resources or associated relevant knowledge is fair and equitable, especially so with regards to supporting customary laws and practices of native and local communities.

49. **Sabah State Landscape Policy** (to be launched)**:** The policy provides guidelines towards a systematic, distinctive and quality landscape development that ensures the preservation of the environment at the state and district levels.

50. **Low Carbon Society for Local Authorities Initiative by the Sabah Ministry of Local Government and Housing:** The initiative aims to inculcate a low carbon society to enhance the environment while supporting sustainable practices based on three key drivers which includes: 1. Supporting a Green Economy, 2. Making cities and human settlements inclusive, safe, resilient and sustainable, 3. Supporting an informed society on Green living towards a sustainable and prosperous living environment.

51. **Sabah Drainage and Irrigation Department Strategic Organisation Plan for 2021-2025**: The plan contains four strategic thrusts to empower the management and engineering of water resources in an integrated manner. The strategic thrusts include (a) ensure food security, water and environmental sustainability based on the 1998 Sabah Water Resources Enactment; (b) increase the value of water resources and identify alternative sources; (c) strengthen and empower efficient and effective human resource management and organisation; and (d) strengthen the 1998 Sabah Water Resources policy and legislation by enhancing the effectiveness of water resources management with integrated implementation and enforcement of the provision relating to water resource through the development of relevant rules and guidelines.

52. The **Orangutan Action Plan** includes the following: improvements in current agricultural practices in large-scale plantations and also small holdings and private orchards by introducing effective mitigation features, either by physical construction or by establishing conflict mitigation units; acquisition of land along designated rivers and between isolated patches of forest supporting wildlife to provide for wildlife corridors in consultation conservation in commercial forest reserves under natural forest management; conversion of forest areas within existing orangutan population regions into oil palm plantations and other crops should be minimized and eliminated.

53. **Elephant Action Plan**. This action plan includes implementing the concept of Managed Elephant Ranges (MERs) in four important natural areas including the Lower Kinabatangan, Northern Kinabatangan, Tabin, and Central Sabah. The elephant habitats will then be identified and secured with the creation of corridors to connect existing protected areas. This will then facilitate migration routes which will potentially help to maintain and enhance wild populations.

54. **UNDP-GEF project "Biodiversity Conservation in Multiple-Use Forest Landscapes in Sabah, Malaysia (PIMS 4186) (Jun 2012 – Dec 2019)**. This project was implemented in Sabah to institutionalize a multiple-use forest landscape planning and management model which brings the management of critical protected areas and connecting landscapes under a common management umbrella, implementation of which is sustainably funded by revenues generated within the area.

55. **UNDP-SECO Green Commodities Programme Phase III**. UNDP's Green Commodity Programme and the Swiss Secretariat for Economic Affairs (SECO) have worked in partnership since 2015 on advancing sustainable commodity production through multi-stakeholder collaborative initiatives in globally important agricultural systems. Phase III of the partnership that is slated to start in 2023 includes three new countries, including Malaysia. The SECO funding is specifically earmarked towards strengthening the Jurisdictional Approach Initiative in Sabah, delivering capacity building to the Secretariat and facilitating improved collaboration among the existing multi-stakeholder structures of the initiative.

56. **UNDP-GEF Global Wildlife Program country project: "Building institutional and local capacities to reduce wildlife crime and to enhance protection of iconic wildlife in Malaysia" (GEF ID 10597)**. The GEF Global Wildlife Program (GWP) was established in 2015. It is financed by the Global Environment Facility and led by the World Bank Group. In 2019, Malaysia was added to the program, together with four other countries. The aim of the program is to promote wildlife conservation and crime prevention for sustainable and resilient development, whereby the FOLUR is particularly linked to the GWP's effort to conserve wildlife and enhance habitat resilience. In Malaysia, the program is focused on three threatened and endangered species where the Bornean Orangutan and Bornean banteng is relevant in the proposed project landscape,

57. **Sabah EU-REDD+ Project (2014-2021)**. This project, entitled "Tackling Climate Change through Sustainable Forest Management and Community Development, aimed to improve Sabah's REDD+ readiness and implementation through REDD+ demonstration activities to strengthen community engagement in forest protection and pro-poor sustainable forest management.

58. The **WWF Sabah Landscapes Programme** adopts a living landscape approach that combines conservation and sustainable development under its three pillars - Protect, Produce and Restore. Through Protect, the programme aims to support the Sabah government's commitments to forests while utilising spatial planning instruments to eliminate further deforestation. Under Produce, it aims to ensure sustainable production of palm oil through group certification within a landscape. Lastly, through Restore, the programme will advocate for ecological corridors to mitigate the effects of forest fragmentation and the isolation of wildlife

populations. The Sabah Landscapes Programme will focus on three priority landscapes - Tabin, Tawau and Lower Sugut. Project-based conservation efforts that prioritised nature-based solutions will also continue in Central Forest, Kalabakan and Ulu Padas-Nabawan landscapes[27].

59. **The National Initiative on Sustainable and Climate Smart Oil Palm Smallholders (NI-SCOPS)** is a partnership initiated by Solidaridad and The Sustainable Trade Initiative (IDH), with funding from the Dutch Government to support the Malaysian Government and other stakeholders to meet the Malaysian commitments under the Paris Agreement, the Convention on Biological Diversity and the SDGs. It does so by making the FAO concept of climate smart agriculture (CSA) operational in three regions: Sabah, Sarawak and peninsular Malaysia. NI-SCOPS goals are to improve productivity, sustainability and livelihood of oil palm smallholders in seven sites: two in Sabah, two in Sarawak and three sites in Peninsular Malaysia, scalable to the whole Malaysia after 2023; and to improve adaptive capacity of smallholders in the light of climate change in these 7 sites[28].

60. Wild Asia is implementing a programme called **Wild Asia Group Scheme (WAGS)** that provides a working model for independent palm oil producers to help improve their production, social and environmental practices. This programme is currently being implemented in Kinabatangan and Beluran. The expected outcomes are sustainable agriculture enabled through a network of self-supported extensions providers working in a continual improvement system, and recognition that Certification is not a goal, but part of a process, to work through challenges and unlock opportunities to promote change at a local level[29].

61. **Forever Sabah** has been engaging oil palm smallholders from four contiguous districts of **Telupid, Tongod, Beluran and Kinabatangan (TTBK)** on Smallholder Readiness for Roundtable on Sustainable Palm Oil (RSPO) Jurisdictional Certification of Palm Oil by 2025. The programme undertook a study to understand farmer perspectives and challenges towards RSPO certification. The programme continues with the development of appropriate systems and capacity building to address the issues jointly revealed.

Private sector initiatives

62. Private sector organisations are important actors in the target landscapes and food systems, and engagement with upstream and downstream companies is an integral part of the project strategy.

63. **Sime Darby**. Sime Darby is a major palm oil producer in Malaysia, as well as in the region, including in Indonesia and Papua New Guinea (PNG). The company is engaging with a large number of smallholder farmers, 20,578 in Malaysia, of which only 33 are direct smallholders and the others supply indirectly through traders.

64. Sime Darby is actively involved in Sabah, including the following initiatives described in the company's 2019 Sustainability Report:

- Reforestation and rehabilitation of orang-utan habitat in Northern Ulu Segama, Sabah, Malaysia. In 2008, Sime Darby Foundation, pledged RM25 Million over a 10-year period to support the reforestation and rehabilitation of 5,400 ha of the Bukit Piton Forest Reserve. To date, the project has successfully rehabilitated 5,400ha of degraded forest, with 295,159 seedlings of indigenous dipterocarps, non-dipterocarps and pioneer trees (95 species) planted.
- Project RiLeaf with Nestlé Malaysia, Kinabatangan riparian restoration project. Kinabatangan 'RELeaf' project supports local villagers along the Kinabatangan River to generate additional income by planting seedlings of trees native to the environment. The project then purchases the saplings later for reforestation efforts.
- Formation of the Palm Oil NGO (PONGO) Alliance launched in 2017. PONGO secured major funding for the restoration of the Kinabatangan Landscape in partnership with Unilever and the French Alliance for Sustainable Palm Oil. Restoration efforts along the corridors of the Kinabatangan River.

[27] Information retrieved from https://wwfmy.awsassets.panda.org/downloads/annual_review_2021.pdf

[28] Information retrieved from https://www.idhsustainabletrade.com/uploaded/2020/10/201006-NI-SCOPS_2-pager_Malaysia_Final.pdf

[29] Information retrieved from http://www.rsep.rspo.org/index.php/oil-palm-smallholder-initiatives-worldwide/item/wags-sabah#:~:text=RSPO%20Smallholders%20Engagement%20Platform%20%2D%20WAGS%20Sabah&text=Wild%20Asia%20Group%20Scheme%20(WAGS,production%2C%20social%20and%20environmental%20practices.

65. **Unilever**, an industry-leading company in sustainable sourcing practices, continues to make substantial contributions to sustainable forest management in Malaysia, particularly in the state of Sabah. Through the company's corporate Sustainable Living Programme, Unilever has set a goal of achieving a deforestation-free supply chain by 2023, through increasing traceability and transparency. Unilever is also financially supporting secretariat under the Sabah Jurisdictional Certification Steering Committee.

66. **IKEA** invested in a 20-year reforestation project in Luasong, near Tawau in eastern Sabah, where 3 million trees were planted, starting in 1998, rehabilitating a degraded forest that had been logged. The rehabilitation project was sponsored by IKEA and involved Yayasan Sabah, the Swedish University of Agricultural Sciences, and local governmental, non-governmental, and academic partners. The rehabilitation project made substantive contributions to the local capacities in restoration-rehabilitation of forest ecosystems.

67. Extended in 2020 by **Nestlé** Malaysia, Project **RELeaf** aims to restore riparian and forest ecosystems across the Kinabatangan Wetlands and Merisuli Forest Restoration Areas in Sabah, as well as in forest reserves along the Central Forest Spine in Peninsular Malaysia. Nestlé Malaysia will work with the world's largest producer of certified sustainable palm oil, Sime Darby Plantation. Under their memorandum of agreement, over one million trees are set to be planted across 1,200 hectares of riparian zones and steep slope areas within Sime Darby Plantation's oil palm operation areas[30].

68. **PONGO Alliance** is an alliance of oil palm growers, businesses and conservation practitioners, that came together to support sustainable palm oil production that includes safe spaces for wild orangutans outside of protected areas. PONGO Alliance and the Government of Sabah have signed a memorandum of understanding (MoU) in 2018 in the Kinabatangan region to help re-establish forest connectivity across the landscape, by restoring forest through planting and tending of orangutan food plants on lands outside Forest Reserves. PONGO will also provide advice on managing and monitoring orangutans within plantations[31]. As a follow-up, in 2020, it signed an MoU with the Sime Darby Foundation called, "Creation of a Human and Orangutan Coexistence Landscape in Kinabatangan". The Foundation committed MYR 1.2million to enable the programme to conduct detailed information-gathering, engagement with various players, and to develop best management practices in oil palm plantations for orangutan conservation[32].

69. **Sawit Kinabalu** is the investment arm of the state government in the oil palm industry. Sawit Kinabalu together with the Sabah Forestry Department through the Sabah EU-REDD+ Project are collaborating in the sustainable management of Sungai Pin Conservation Area in Sabah. The collaboration aims to establish an effective conservation management plan for the area that will help enhance its carbon stocks through REDD+ initiatives[33]. In addition, Sawit Kinabalu will be working with BORA and WWF-Malaysia in the Bagahak oil palm plantation landscape in Lahad Datu to reconnect forests for globally threatened species, including orangutans and elephants[34]. Sawit Kinabalu has declared 7,661 ha of conservation areas within their land bank in Sabah.

Long-term vision:

70. The long-term situation that the project will help the Government of Malaysia to bring about in the target landscapes and food systems, in collaboration with multiple stakeholders at national, state, and local levels, in ways that:

- Generate benefits for the economy at local and state levels.
- Minimise impacts on global environmental values (biodiversity, carbon stocks and the productive potential of natural and anthropic ecosystems).
- Are sustainable in productive and social terms.

[30] Information retrieved from https://www.nestle.com.my/media/pressreleases/releaf-moa-sdp

[31] Information retrieved from https://www.musimmas.com/pongo-alliance-memorandum-of-understanding-signed-with-the-state-government-of-sabah/

[32] Information retrieved from http://www.yayasansimedarby.com/media/pongo-alliance-oil-palm-growers-and-conservation-practitioners-collaborate-for-orangutan-conservation

[33] Information retrieved from https://www.sawitkinabalu.com.my/index.php/conservation/

[34] Information retrieved from https://www.sawitkinabalu.com.my/index.php/sawit-kinabalu-walking-the-talk-on-conservation-with-their-sg-pin-conservation-area-management-plan-camp/

- Are integrated with the livelihood support and food production systems of local populations, and do not undermine the resilience of their livelihoods or their access to safe and nutritious food.
- Build on and enhance collaborative structures that already exist and are directly relevant to the project outcomes, including the Jurisdictional Approach Initiative in Sabah.

71. At landscape level, the vision of the project is that the landscapes reach conditions of sustainable yet dynamic equilibrium, responding and adapting to evolving conditions; and that the benefits and costs resulting from natural resource management and production in the landscapes will be distributed in the most equitable way possible among different stakeholder groups both within and beyond the landscapes themselves, particularly with regard to considerations of gender, ethnicity and inter-generational equity.

Barriers towards achieving the long-term vision:

72. **Barrier 1: Sector-centric planning and limited adoption of multi-stakeholder governance approaches.** Land use planning across production and protection landscapes remain largely sector centric, and there is limited collaboration among policy makers and planners to integrate sector priorities that balance synergies between sustainable production, the well-being of local communities, and the protection of natural resources. There are also shortcomings with respect to participatory governance, with inadequate representation of the interests of different stakeholder groups, including vulnerable groups that rely on the ecosystem goods and services in a landscape but are unable to influence policy directions.

73. **Barrier 2: Inadequate capacities and incentives for sustainable production.** Currently there is limited long term commitment, support and investment by palm oil buyers into encouraging more sustainable production practices. Buyers seeking sources of sustainable production currently focus on their own supply chains and the product they source and not on practices more widely in the sector or on how they can support the enabling conditions for sustainable production. This is beginning to change with more companies looking to take a landscape or jurisdictional approach, but these approaches have yet to scale up. The existing jurisdictional work in Sabah has been addressing this, but still needs to be strengthened. There remains the challenge of how to make landscape and jurisdictional initiatives easier for the private sector to engage with and an unresolved question of how to scale them.

74. In respect specifically of smallholders, there has been limited inclusion of independent smallholders into sustainable value chains which means that they are unable to take advantage of market opportunities that actively reward sustainable production. Stemming from limited opportunities to interact with alternative sustainable value chain actors, and limited capacities to meet their requirements in terms of reliability and quality of supply, such as those set out in the standards of industry-based or third-party certification schemes. Limitations in the reach and approaches of extension services and other farmer support services and finance constrain smallholders' abilities to identify and apply sustainable alternative options for production and resource management. Extension services tend to be sector- and crop-specific, with a strong focus on agronomic and productive issues at the expense of considerations of environmental sustainability or landscape dynamics, or of how cash crops relate to other components of farm families' overall livelihood strategies.

75. **Barrier 3: Underlying socioeconomic structure and factors.** Sabah has the highest incidence of poverty in Malaysia at 19.5% compared to the average in Malaysia at 5.6%[35]. It's unemployment rate is ranked second highest in Malaysia at 5.8% compared to the Malaysia average at 3.3% in 2019. Though Sabah has the second highest number of schools due to its large land area, about 24.3% of rural households live more than 9km from the nearest schools contributing to a lower proportion of labour force with secondary education at 44.3% compared to the national average of 55.6%. In addition, skilled employed persons in Sabah constituted 14.4% compared to the national average of 27.5%. The socioeconomic factors especially of rural populations indicate underlying challenges that could influence efforts towards sustainable practices and production due to the limited economic options and dependence on natural resources. Integration of the socioeconomic perspectives is important to strengthen natural resource management and securing sustainable livelihoods and provision of food especially to the rural communities.

[35] Source: Department of Statistics Malaysia, extracted from the Sabah Development Corridor (SDC) Blueprint 2.0 2021-2030.

76. **Barrier 4: Lack of sustainable participatory models for restoration and conservation of critical ecosystems.** There has been numerous community-based restoration-rehabilitation and sustainable use of natural resources in Sabah, but durability has been limited due to a number of factors, including a lack of strategic management systems that provide reasonable economic return, making the schemes attractive to smallholders and the youth; a shortage of qualified extension service officers; a lack of enabling policies for sustainable utilisation of forest and non-forest resources by small and medium size enterprises; land conflicts, e.g., surveying farms under community forest management schemes is an arduous task, due to the lack of funds, manpower and the scattered distribution of the areas. Farmers also make land claims from other interested parties; lack of infrastructure and support systems, including logistics for transporting planting materials.

77. **Barrier 5: Limited flow of information and knowledge sharing**. Management of landscapes that balance land use for food systems, cash crops, ecosystem services, conservation, leisure, etc., is a complex task that requires open access to information and sharing of knowledge among stakeholders. In many cases, policymakers, planners, farmers and other value chain actors do not have enough knowledge, skills, or experience to develop and advocate progressive plans and adaptive management practices, and, as a result, stakeholders often receive mixed messages that can lead to exacerbation of land conflicts among resource users.

National policy alignment:

78. The project is aligned with the following national policies.

- **12th Malaysia Plan, 2020-2025**; particularly with respect to the strategic thrust on pursuing green growth for sustainability and resilience.
- **National Biodiversity Strategies and Action Plan (NBSAP) under UNCBD, 2016-2025**; aligned with the give overarching goals of the NBSAP, including stakeholder empowerment, reducing pressures on biodiversity, safeguarding ecosystems, species, and genetic diversity, ensuring fair and equitable sharing of benefits from the utilisation of biodiversity, and building the capacity of stakeholders.
- **Nationally Determined Contributions (NDC) under UNFCCC;** Malaysia's updated NDC includes the following increased ambition: (a) 45% of economy-wide carbon intensity reduction is unconditional, (b) the target is an increase of 10% from the earlier submission, and (c) the GHG coverage is expanded to seven (7) greenhouse gasses (GHG)[36]. In addition, the updated NDC highlighted that the implementation of climate change adaptation in Malaysia focuses on the management of water resources and security, coastal resources, agriculture and food supply, urban and infrastructure resilience, public health, forestry and biodiversity and key adaptation cross sectoral areas[37].
- **National Action Plan (UNCCD)** As part of Malaysia's seventh report to the United Nations Convention to Combat Desertification (2018), it was reported that about 16 % of the land is degraded relative to the total land surface over 2000-2015. To address land degradation, the country set a target of 50% of all agricultural area to be sustainably managed and 100% of all timber and timber products to be sustainably managed by 2025**.**
- **National REDD Plus Strategy**; closely aligned with the three parts of the strategy: (1) actions to build synergies and coherence between Federal and State governments in addressing climate change, biodiversity, and forest policies; (2) actions to reduce emissions and enhance sinks in forests and conservation of biological resources; and (3) develop a sustainable financing mechanism.
- **Malaysian Sustainable Palm Oil (MSPO) Certification scheme**; mandatory for palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards.
- **Heart of Borneo Initiative**; assuring adequate and timely resources are channeled into biodiversity conservation in Sabah.

[36] Information retrieved from https://unfccc.int/sites/default/files/NDC/2022-06/Malaysia%20NDC%20Updated%20Submission%20to%20UNFCCC%20July%202021%20final.pdf

[37] Ibid.

Relevance to Sustainable Development Goals (SDGs):

79. The project is relevant to a number of SDGs, including SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 5 (Gender Equality), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), SDG 15 (Life on Land), SDG 17 (Partnerships for the Goals).

III. STRATEGY

80. The project builds on a baseline of efforts planned over the next decade by both public and private sector to promote forest conservation and sustainable commodity certification. Under the baseline scenario, despite these efforts, expansion of oil palm and other commodities is likely to continue, causing ongoing loss of forests and the ecosystem services they provide. The project aims at an integrated and systemic approach to tackling these challenges, with incremental GEF resources providing the catalyst for transformational change. This will involve engaging in simultaneous efforts to develop the leadership capacity and collaboration capacity of stakeholders in planning and managing land together, to restore-rehabilitate HCV/HCS ecosystems for connectivity, to diversify and strengthen smallholder livelihoods, and to facilitate sustainable and resilient palm oil value chains.

Summary of project approaches:

Integrated landscape management approach

81. Integrated landscape management (ILM) recognises the landscape-wide nature of ecosystem flows and social and productive dynamics.

82. The application of a landscape approach will maximize the environmental and social benefits and sustainability of the project, by considering and responding to:

- Spatial variations in environmental values, vulnerability, and productive potential, in order to ensure that land uses optimize net benefits across the landscape as a whole.
- Spatial flows of environmental services across the landscape.
- Landscape-wide biological relations, such as connectivity and the need for wildlife refugia.
- The potential indirect implications of land use dynamics (for example the risk of the expansion of cash crops/commodities into agricultural areas displacing food crop production pressures into forest areas).

Combining management and governance improvements

83. Improving the management of oil palm has the potential to generate environmental benefits on farm and also to reduce the rates of conversion of forest to agriculture, if productive intensification reduces the area of land that needs to be used to satisfy demand for the crop and to meet economic development targets. The project will however recognize that if promoted on its own, without adequate safeguards, productive intensification has the potential to stimulate *increased* levels of productive activity – thereby leading overall to increases in area coverage and forest conversion – by making the crop/commodity in question more economically attractive[38]. In order to address this risk, the integrated approach of the project will ensure that actions to support improvements in productivity are always accompanied, and where possible preceded, by investments in strengthening land use planning, governance and market-based leverage to limit expansion into forest areas or other vulnerable ecosystems.

Building strengthened, resilient, and food-secure livelihoods

84. Although the project will focus principally on oil palm, it will also consider how their production relates to the overall livelihood and food security strategies of the people living in the areas where they are produced. Emphasis will be placed on an agroecological diversified farming systems approach that integrates and balances the production of cash crops and food crops, non-agricultural economic activity, and off-farm income

[38] The **Jevons paradox,** when technological progress or government policy increases the efficiency with which a resource is used, but the rate of consumption of that resource rises due to increasing demand.

generation, with the aim of maximizing livelihood resilience, intra-family equity and social and environmental sustainability.

Building on existing collaborative efforts

85. With the complexity and scale of the landscapes, this project will build on existing efforts and structures that support collaboration between ministries and stakeholders in the current landscapes and on palm oil. The project will uplift the role and increase the capacity of the Sabah Jurisdictional Approach Initiative Steering Committee (JCSC).

Leverage of systemic change through value chains

86. Over the past two decades much of the private sector's focus on sustainable palm oil has been focused on supply chain management and certification approaches. There have been limited cross-sector coalitions of companies looking to work pre-competitively – and in partnership with the government – on wider enabling conditions. Increasingly companies are now recognising that a sustainable palm oil sector requires (a) more effective public private collaboration to strengthen the enabling conditions for sustainable production and level the playing field for all producers and (b) a more systemic approach to change, particularly through more landscape and jurisdictional approaches, rather than focusing on individual supply chains. Therefore, a key focus for the project is on improving public private and cross-sector, pre-competitive collaboration, particularly focused on improving the sustainability of palm oil production at the landscape and jurisdictional level – and, beyond that, to learn from the experience of this project and work on the question of how landscape and jurisdictional approaches can be scaled.

87. For a systemic approach to be effective, the project will aim to convene the most important private sector producers across the landscapes, along with the key buyers, to facilitate dialogue and collaboration between them. The broad areas around which greater collaboration is needed are identified in this document, but we believe that pre-defining the specific activities in too much detail is counter-productive because the companies themselves need to identify where they want to collaborate during the implementation phase so that there is shared ownership and genuine commitment to the initiatives that are generated.

88. Private sector co-financing commitments to the project represent investments in activities aligned with the project objectives. During project implementation that focus will not be on bilateral partnerships with the co-financing partners, but rather to work together with the co-financing partners to co-convene companies more widely across the sector and through the value chain to develop multi-stakeholder partnerships that can deliver systemic solutions at landscape and jurisdictional scale.

89. Under Output 3.2, the project will build upon the current framework and initiatives in Malaysia supporting green financing especially in the agriculture and oil palm sector. This includes raising the awareness amongst project stakeholders on the efforts of the Joint Committee on Climate Change (JC3 - Bank Negara Malaysia, Securities Commission, Bursa Malaysia and industry players) through various Environment, Social and Governance (ESG) initiatives, including the Value-based Investment Community of Practitioners (and the Value-based Intermediation Financing and Investment Impact Assessment Framework (VBIAF) Sectoral Guidance on Palm Oil), Greening the Value Chain Program and various initiatives to strengthen the management of climate-related risks. The project will also engage the relevant financial institutions (government and private sector) to explore potential collaboration and partnership to strengthen financial flows towards sustainable production initiatives. It will also work internationally on sustainable finance for palm oil from RSPO, UNPRI (PRI Investor Working Group on Sustainable Palm Oil) and others.

Inclusive business models

90. As part of this, an important issue will be to develop more inclusive business models, accessible to smallholders to provide a stable supply of higher quality and more sustainably cultivated products. Companies have an interest in investing in long lasting relationships that secure their sourcing, not only now, but also in the future by contributing to reduce the environmental impact of oil palm cultivation and to preserve the natural resource base. As such, inclusive business relations for sustainable products can be a pull factor for smallholder farmers to engage more in sustainable and climate smart agriculture, and for private companies to make their supply chain future-proof and sustainable.

91. The facilitation process will co-identify critical areas for improving and accompanying the design and implementation of inclusive business strategies and the evaluation of the effects of these changes on the business of smallholders and buyers. It is common practice for a company to formulate a value proposition to its clients. However, a strong value proposition by the buyer to its suppliers, i.e., the smallholder farmers, is a key element for success. This value proposition can take various shapes but it shows how the buyer supports the smallholders it is sourcing from in their business: attractive price, payment modes, quality standards info, long term perspective, and a range of embedded services which may be required by the farmers to produce in quantity, quality, continuity and sustainably: technical advice, inputs supply, mechanisation services, data collection, link to credit, market information, farmers' organisation capacity, linking farmers to markets, fair trade, etc. Negotiations between the parties can focus on this value proposition. Key elements can be taken up in a farming contract.

Inclusiveness and participation

92. Given the magnitude and social complexity of the problems described, it is also necessary for government institutions (especially at state and district levels) to work hand in hand with local communities, and for natural resource governance and management to be fully inclusive of all community-level stakeholders involved in the production systems in question, affected by their impacts, and potentially participating in the identification and implementation of sustainable alternatives.

93. The situation also calls for full, appropriate, and inclusive participation of the different ethnic groups present in the target localities. Unsustainable management may affect these groups differentially, as may the proposed sustainable alternatives for production and ILM. At the same time, these different groups may have knowledge and experiences of traditional, sustainable, management models, with potential to be supported and scaled-out through the project.

Participatory action learning

94. At the farming system level, the project will work with farmers in a participatory "action learning" approach to define management options that are compatible with farmers' livelihood sustainability. Rather than being a one-off activity, this "action learning" approach will also aim to develop farm families' capacities to monitor and respond to evolving circumstances in an ongoing, adaptive manner: for example, by recognizing the volatility and vulnerability of global cash crops and developing a robust and flexible portfolio of alternatives to protect their livelihoods against their failure; and by continually experimenting with strategies for adapting the crop management to the effects of climate change.

95. In addition to participatory action learning, to build mutual understanding among the stakeholders about natural resource management models and encourage accelerated project implementation and its achievements, the project will facilitate peer-to-peer learning exchanges to successful areas. Peer-to-peer learning exchange is not only directed to exchange learning about technical and governance matters, but also about regional development policies and integrated landscape management.

96. The upstream-downstream communication/dialogues and relationship in the project landscapes will be encouraged by involving various stakeholders in a landscape in order to develop a mutual understanding of the landscape condition and the affecting factors. The establishment of multi-stakeholder forums at the landscape level will be encouraged, facilitated, and developed during the project implementation period in order to develop more integrated joint at the landscape level, spatial planning and more responsible land use by considering carrying capacity, suitability, productivity, and sustainability of the ecosystem.

Systems leadership

97. Achieving progress on the sustainable development agenda requires a departure from traditional top-down, hierarchical, and linear approaches to implementing change. Instead, it requires innovative and adaptive approaches that engage broad networks of diverse stakeholders to advance progress toward a shared vision for systemic change.

98. This approach is often called Systems Leadership. Researchers at Harvard recently defined Systems Leadership as a set of skills and capacities that any individual or organization can use to catalyse, enable and support the process of systems-level change, comprised of three interconnected elements:

i. **The Individual**: The skills of collaborative leadership to enable learning, trust-building and empowered action among stakeholders who share a common goal.
ii. **The Community**: The tactics of coalition building and advocacy to develop alignment and mobilize action among stakeholders in the system, both within and between organizations.
iii. **The System**: An understanding of the complex systems shaping the challenge to be addressed.

99. As the GEF FOLUR IP strategically seeks system transformation, it is essential that all of these three factors are enabled in the programme. Development approaches previously have often ignored the individual leadership capacity and not invested appropriately in the community building around a shared vision for systemic change. In this case changing the systems around how we use land in favour of a more sustainable future for generations to come.

100. The project will invest in building the systems leadership capacity of landscape champions, and work to connect these with cross-border learning through the FOLUR global learning platform and the UNDP Green Commodities Community, a systems leadership regional cohort for Indonesia, Malaysia and Papua New Guinea, and rotational hosting of these systems leadership modules, to support learning journeys in situ.

101. The project initiatives on Integrated Landscape Management (ILM) and systems leadership training provide the platforms and mechanisms for strengthening for multi-stakeholder interaction, collaboration alignment, and visioning to address the root causes and barriers highlighted. These project processes will further refine and highlight the strategic roles of key actors to collectively contribute to the project's outcomes. A summary of the respective roles is outlined below:

- **Government:** The government plays the crucial role in facilitating the enabling policy and institutional framework to support effective implementation of ILM initiatives. While government agencies may have the respective mandates to address relevant issues at the sectoral level, efforts are needed to streamline vertical (local, state, and national) and horizontal (cross-sectoral) integration. In particular, the Government's role includes consolidating institutional mandates guided by the policy aspirations of respective agencies as well as strengthening mechanisms (e.g., technical guidance, programmes, economic instruments etc.) to support effective adoption of integrated landscape management and sustainable value chain production practices. In addition, government agencies also play a role in facilitating the involvement and participation of various stakeholders (e.g., government, private sector, community) as well as contribute to the access of relevant data or information required needed for project implementation.
- **Private sector:** The private sector plays a key role to provide insights and feedback to improve existing value chain production practices as well as guide the refinement of future programmes (including traceability tools, improved connection amongst producers and buyers, etc.). The private sector also plays various leadership roles, including facilitating the empowerment of smallholders through value chain linkages and as well as being a role model for other private sector peers in demonstrating innovating efforts towards effective privately managed conserved areas, particularly involving HCV forests.
- **Cooperatives/community groups:** Cooperatives and community groups play a critical role in ensuring the impact and sustainability of the project initiatives. As direct beneficiaries, apart from being involved in the project's capacity building and training initiatives, they can provide targeted inputs to the development of an ILM framework and associated action plans, as well as illustrate traditional knowledge and contribute towards participatory restoration frameworks. In addition, cooperatives and community groups are also able to provide valuable feedback to refine and strengthen existing farmer programmes and initiatives in relation to sustainable agriculture. Where possible the project will build upon the momentum and pathways that have been built from previous projects (e.g., EU REDD+).
- **NGOs:** Various NGOs have initiated collaboration and efforts in relation to integrated landscape management and sustainable value chain production in Sabah. The NGOs could contribute lessons learned for the project to adapt to the project landscapes while facilitating the engagements of stakeholders at various levels. In addition, the NGOs could contribute by providing various capacities and technical support to strengthen the implementation of the project. The NGOs also play a vital role

as project co-financers as well as key partners to ensure the sustainability of the project initiatives beyond the project time frame.

102. The *Stakeholder Engagement Plan* (**Annex 7**) provides further details of their respective roles.

Targeting to maximize global environmental benefits:

103. The project will promote an objectively targeted, evidence-based approach to landscape management in order to maximize the delivery of global environmental benefits. The multi-stakeholder formulation of an integrated landscape management framework will be informed by maps and inventories of HCV/HCS areas (HCV/HCS maps have been prepared in Sabah) and other globally significant biodiversity, including Key Biodiversity Areas (KBAs) and wildlife corridors in the project landscapes. These maps and inventories will be based on desktop analyses on land cover and land use change: the secondary data on environment carrying capacity, climate change, biodiversity loss risk, and natural disaster. Ground checks will also be carried out through sampling methods to verify the presence of HCV/HCS areas and other priority/essential ecosystems in the project landscapes.

Theory of Change:

104. Integrated landscape management (ILM) is a systems approach that requires collaboration among multiple stakeholders with different interests. The principles of ILM permeate throughout the project theory of change (see **Figure 11**) and are the underpinnings for achieving transformative and durable change at scale. One of the key assumptions outlined in the project theory of change for advancing from project level outcomes to longer-term outcomes (intermediate states) and ultimately to durable impacts is that key stakeholders recognise the benefits in collaborating on integrated approaches on landscape management. An important impact driver in this regard is that the collaboration mechanisms, such as the district and state level collaborative spaces, are maintained and upscaled. Institutional capacities strengthened through the systems leadership approach are assumed to be maintained, including in the case of departure of key personnel. Another assumption is that the integrated landscape management framework and approaches are implementable, i.e., formulated to feed into and strengthen existing planning mechanisms.

105. Achievement of longer-term outcomes also requires increasing levels of investment by private sector actors in responsible commodity value chains and adoption of sustainable agricultural practices by the producers in the landscapes, including independent smallholder farmers. Facilitating improved public private and cross-sector collaboration in order to mobilise increased investment into sustainable production is an important part of the project – particularly focusing on multi-stakeholder partnerships that can catalyse systemic change. In addition to the opportunities for private sector co-financing through direct commitments to forest conservation and restoration, partly motivated by RSPO and MSPO requirements and PS leadership in sustainable production through Outputs 2.1, 2.2 and 3.2, the proposed development of an online platform for data sharing focusing on restoration (Output 5.4) is expected to provide open access information to empower and consolidate the efforts of local government, NGO and private sector based on informed priorities and restoration needs. At the same time, it is aimed at attracting new collaborators and contributors to support the sustainability of restoration efforts across the project landscape.

106. The improved landscape management approaches and good agricultural practices are assumed to reduce threats to critical ecosystems, e.g., smallholders recognise the return on investment in making on-farm improvements such as soil conservation, leading them to maintain sustainable intensification and diversification practices rather than expanding commodity production into high value forests. This scenario largely depends on the assumption that incentive mechanisms and support services are maintained and further operationalised across Sabah. Local champions trained on the project will be crucial change agents in upscaling best practices in the state.

107. Participatory models of conservation and restoration-rehabilitation for protection of ecosystem services and delivery of socioeconomic co-benefits will be promoted as a longer-term outcome under the project theory of change. The effectiveness of these models will depend on enabling policies and incentives that are assumed will adapt to changing circumstances over time. There need to be clear linkages between conservation goals and social outcomes, e.g., diversification of livelihoods through sustainable use of forest resources, genuine collaborative management regimes involve local communities into decision-making and benefit-sharing

schemes – including women and other marginalised groups, and traditional knowledge is respected and protected. And the partnerships strengthened for sustained flow of information and knowledge, e.g., with tertiary and research institutions, are assumed to be maintained and strengthened over time, leading to durable long-term impacts.

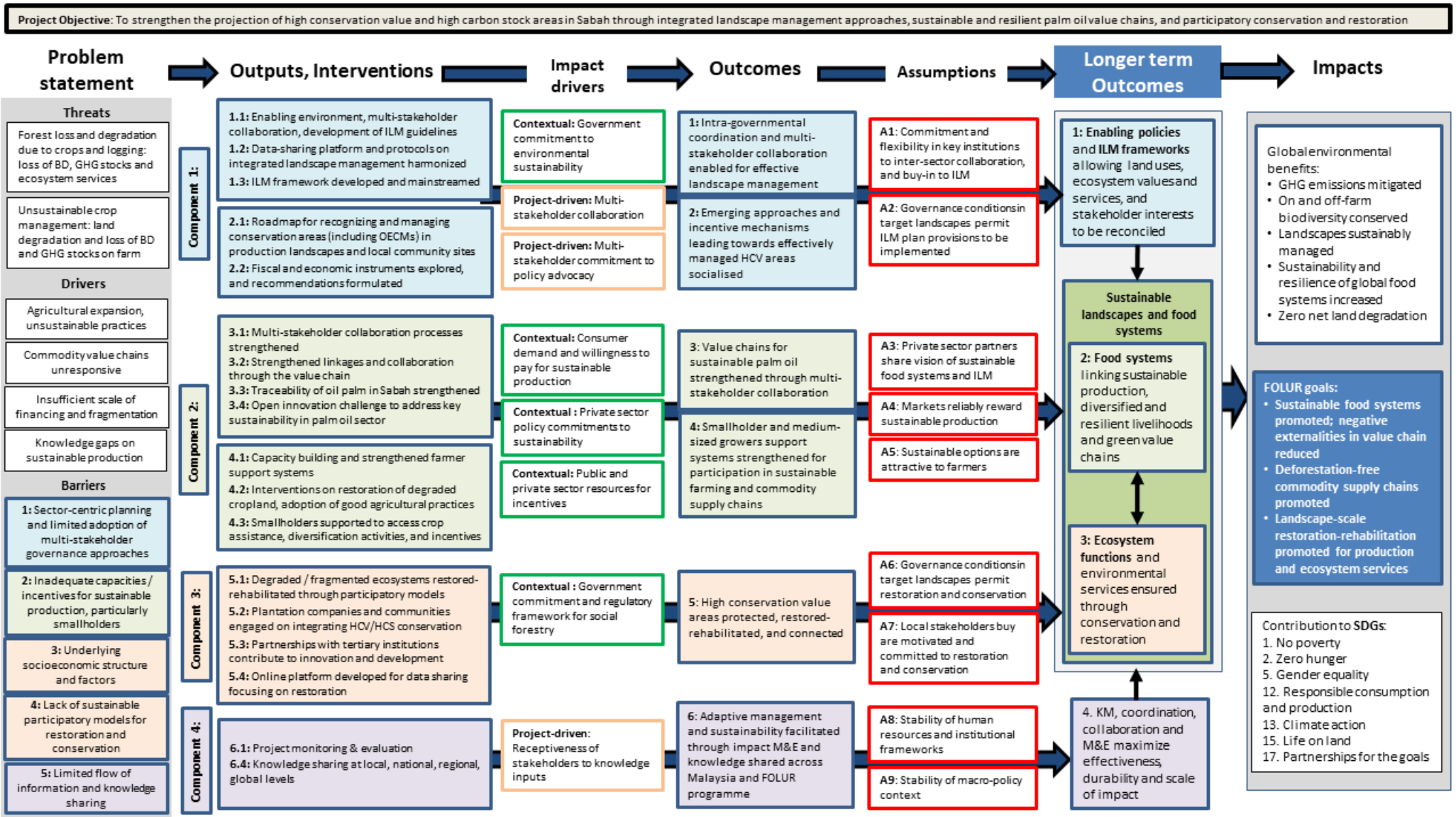


Figure 11: Project theory of change

Transformational impact:

108. In line with the objectives of the FOLUR Impact Program, transformational impact by involving stakeholders at a range of levels, generating lessons on options for sustainable production, integrated landscape management and governance at district, landscape and state levels, and at the same time working with officials responsible for state and national policy and planning frameworks, and with national, regional, and global private sector actors for scaling up these transformational impacts across target sectors and value chains.

109. The strategic approach for realising transformational change is consistent with UNDP's Food & Agricultural Commodity Systems (FACS) Strategy 2020-2030[39], which aims to achieve the following three key results by 2030:

i. Sustainable production landscapes and jurisdictions upscaled.
ii. Food and agricultural commodity supply chains transformed to become sustainable.
iii. All members of vulnerable households and smallholder producers empowered to become more resilient, attain food security and pursue healthy, sustainable livelihoods.

110. UNDP's FACS Strategy addresses the underlying drivers of pressures on forest resources from global food systems, which have been compounded during the COVID-19 pandemic, with further stresses in food availability due to disruptions to local and global supply chains but also to loss of livelihoods of local communities, resulting in increasing levels of food insecurity among poor and vulnerable groups.

Program contributions:

111. This project is one of 27 country projects under the GEF-7 FOLUR Impact Program (GEF Program ID 10201). The project's integrated approach contributes to the FOLUR program's theory of change, advancing the global agenda of fostering transformational change and greater environmental sustainability in food systems and land management. Simultaneously addressing commodity supply chains, land use planning systems, landscape-level restoration and working to shift the mindsets and relationships of people in the system, enables systemic barriers to conservation of globally valuable forests and peatlands to be addressed. The project components will contribute towards the FOLUR programmatic outcomes as shown below in **Table 5.**

Table 5: Project contributions towards FOLUR Impact Program results

FOLUR Impact Program		**Malaysia Country Project**	
Program objective: To promote sustainable, integrated landscapes and efficient food value & supply chains at scale		**Project objective**: To strengthen the projection of high conservation value and high carbon stock areas in Sabah through integrated landscape management approaches, sustainable and resilient palm oil value chains, and participatory conservation and restoration	
GEF Core Indicators:		**GEF Core Indicators:**	
Core Indicator 3: Area of land restored	2,387,402 ha	Core Indicator 3: Area of land restored	200,000 ha
Core Indicator 4: Area of landscapes under improved practices	42,954,864 ha	Core Indicator 4: Area of landscapes under improved practices	2,380,763 ha
Core Indicator 6: GHG emissions mitigated	304,701,753 tCO2e (direct)	Core Indicator 6: GHG emissions mitigated	10,740,674 tCO2e (direct)
Core Indicator 11: Direct beneficiaries	7,277,223 (3,609,733 female)	Core Indicator 11: Direct beneficiaries	54,000 (of whom 27,000 are female)
Program Component 1: Development of integrated landscape management systems		**Project Component 1**: Development of integrated landscape management systems	
Outcomes: • Participatory planning and mapping for improved land use & management at landscape level promoted • National land use plans and policies on land use planning and management influenced • Governance systems strengthened and capacity built across landscape and land use management institutions and at national level • Policies and incentives promoted for innovation & scale up of sustainable practices at national scale. **Indicators:**		**Outcome 1**: Intra-governmental coordination and multi-stakeholder collaboration enabled for effective landscape management. **Indicators and end of project targets:** • One project level ILM platform established, and the platform for the Kinabatangan-Segama intervention area strengthened • Two state or local government units incorporate ILM actions into their planning processes **Outcome 2**: Emerging approaches and incentive mechanisms leading towards effectively managed high conservation value areas socialised **Indicators and end of project targets:**	

[39] UNDP's FACS Strategy 2020-2030, Working Document, June 2020.

FOLUR Impact Program	Malaysia Country Project
• Number of landscapes or jurisdictions with improved planning & management practices to foster sustainable food systems • Number of countries with improved enabling conditions, institutional mandates, and incentives for ILM • Number of landscapes or jurisdictions with environmental / sustainability standards in place, enforced • Number of national multi-stakeholder dialogue mechanisms/platforms effectively operated for integrated landscape management	• Two conservation areas (CCAs, OECMs or privately managed conservation areas) recognised (e.g., management plan in place) (with the encouragement of women participation) • Two policy recommendations for incentive mechanisms submitted to relevant agencies (e.g., Ministry of Finance, Department of Lands and Surveys, etc.) for consideration
Program Component 2: Promotion of sustainable food production practices & responsible commodity value chains	**Project Component 2**: Promotion of responsible value chains for palm oil and smallholder and medium-sized growers support
Outcomes: • Improved land use practices and restoration activities in major production landscapes adopted and scaled up • Governance structures & tools improved to reorient stakeholder practices toward sustainable productive use and restoration • Policies & incentives improved for scale up of climate-smart, sustainable production practices and value chains at national level • Partners, value chain actors, financiers and investors regularly convened, motivated and influenced to promote innovation, replication & scale up **Indicators:** • Area of degraded land restored for production • Area on which producers apply improved agricultural practices as measured by SDG 2.4.1 (area under sustainable agriculture) • Production area with investment in sustainable, responsible practices in target commodity & food production systems increased • Number of Companies / Value chain organizations committed to sustainable, responsible sourcing of commodities increased • Number of national enabling environments promoting sustainable food production and deforestation free commodity supply chains • Number of national multi-stakeholder dialogue mechanisms/platforms effectively operated for sustainable commodity supply chains and across commodities • Landscape area with reduced conversion and degradation of forests & natural habitats • Public and private investments leveraged in support of sustainable commodity value chains through PPP or adoption of sustainability standards and practices	**Outcome 3**: Value chains for sustainable palm oil strengthened through multi-stakeholder collaboration. **Indicators and end of project targets:** • Strengthened multi-stakeholder collaborative action, measured by five new Signals of Change reported in the end-of-project assessment • 100% of certified hectarage for MSPO (Revision 2), and 50% of hectarage achieving RSPO readiness **Outcome 4**: Smallholder and medium-sized growers support systems strengthened for participation in sustainable farming and commodity supply chains. **Indicators and end of project targets:** • Ten upstream-smallholder MoUs agreed that include support for smallholder livelihood diversification and containment of oil palm expansion under NDPE policies (with five that enhance women's empowerment in agriculture)
Program Component 3: Restoration of natural habitats	**Project Component 3**: Conservation and restoration-rehabilitation of natural habitats through public-private-community partnerships
Outcomes: • Sustainable land use practices and restoration activities scaled up in target landscapes and beyond • Governance strengthened and institutional capacity built for landscape restoration • Policies and incentives improved at national level to contain expansion, increase productivity, promote & scale up restoration actions • Partners, value chain actors, financiers and investors regularly convened, motivated and influenced to encourage responsible & sustainable production, sourcing & marketing **Indicators:** • Area or number of jurisdictions with improved and participatory approaches for restoration adopted • Area of landscapes with clarified boundaries and allowable land uses in protected and production systems • Area of land where degradation is avoided in degraded landscapes / habitats • Area of degraded land restored for conservation and environmental services • Tons of GHG avoided/sequestered	**Outcome 5**: High conservation value areas protected, restored-rehabilitated, and connected. **Indicators and end of project targets:** • Three restoration and rehabilitation planning frameworks adopted for the project key intervention areas (including pathways for women participation) • Agreement in place with one or more host/funding entities to operate and maintain the online restoration platform after project closure
Program Component 4: Program coordination, collaboration, and capacity building	**Project Component 4**: Knowledge management and impact monitoring

FOLUR Impact Program	Malaysia Country Project
Outcomes: • Management, coordination & M&E effectively implemented • Program Capacity Strengthening effectively delivered • Policy & Value Chain actors effectively and regularly engaged • Strategic Knowledge Management & Communications effectively implemented • Program level mechanisms established to efficiently coordinate country projects with global multi-nationals and industry associations for efficient linkages to supply chains and production systems **Indicators:** • Integrated, efficient and effective child projects working toward common global FOLUR goals • Number of global, regional, national commodity platforms strengthened through adoption of sustainability standards, traceability mechanisms, or increased stakeholder representation • Strengthened policies of buyers (retail, consumer, traders) for deforestation free commodities and connections and benefits to FOLUR landscapes • Number of events & documents disseminated to share knowledge beyond FOLUR countries through S-S exchanges, conferences, and global events, including community of practice	**Outcome 6**: Adaptive management and sustainability facilitated through impact monitoring & evaluation and knowledge shared across Malaysia and FOLUR programme. **Indicators and end of project targets:** • Ten knowledge products (four highlighting gender mainstreaming), twenty communication pieces/stories, four written and/or audio-visual records of traditional knowledge practices. • Two country documents, ten events, ten press reports promoting FOLUR

IV. RESULTS AND PARTNERSHIPS

Expected Results*:*

112. There has been significant investment to date in Malaysia on addressing the impacts of commodity production systems on forest ecosystems. The focus to date has been on certification, including the Malaysian Sustainable Palm Oil (MSPO) certification system, which is mandatory nationwide, as well as the Roundtable on Sustainable Palm Oil (RSPO) which is additionally promoted in Sabah as part of the jurisdictional approach there. The Government of Malaysia has also capped the palm oil production area at 6.5 million ha. This project intends to build upon these initiatives to transform the palm oil value chains, which have driven forest loss and unsustainable land use and associated emissions. Through implementation of multi-stakeholder, integrated approaches, the GEF alternative will advance the process of transforming commodity and land use systems.

113. **Global Environmental benefits**:

114. The project will generate global environmental benefits in the biodiversity, climate change mitigation and land degradation focal areas as follows:

Biodiversity:

- Reduction in the rates of loss of high conservation value (HCV) and high carbon stock (HCS) forests, resulting from improved landscape governance, increased insertion of smallholders into sustainable palm oil value chains, and improvements to the sustainability of agricultural production in order to reduce expansion.
- Reduction in the biodiversity impacts of agricultural expansion in HCV/HCS areas, through adoption of integrated landscape management approaches.
- Reduction in the degradation of the biodiversity values through improved forest governance, and support to livelihood sustainability in forest-dependent communities in order to reduce their motivations for unsustainable extraction of forest products.
- Reduction in the degradation of the biodiversity values of managed forests, through support to low-impact community-based forest management practices tailored to local conditions.

- Promotion of biodiversity-friendly, agroforestry systems, and the establishment and/or maintenance of corridors and set-asides.
- Restoration-rehabilitation of ecosystems in areas of importance for biological connectivity or habitat, using appropriate species and management regimes tailored to the ecological needs of priority species.

Climate change:

- Reductions in the rates of loss and degradation of forests, as described above, will also translate directly into reductions in the rates of loss of carbon sinks and consequent greenhouse gas emissions.
- The restoration-rehabilitation of forest areas and the promotion of structurally and compositionally diverse production and farming systems, will result in net increases in carbon capture.
- Reductions in the use of artificial fertilizers, due to the increased use of agroecological practices, will result in reduced GHG emissions.

Land degradation

- Promotion of biodiversity-friendly, agroforestry systems, and the establishment and/or maintenance of corridors and set-asides will contribute towards restoration-rehabilitation of degraded forest areas and croplands, aligned with Malaysia's National Action Plan (UNCCD).
- Restoration-rehabilitation of ecosystems in areas of importance for biological connectivity or habitat, using appropriate species and management regimes tailored to the ecological needs of priority species, will contribute towards restoration-rehabilitation of degraded forest areas, aligned with Malaysia's National Action Plan (UNCCD).
- Reducing the decline of soil fertility through the application of integrated nutrient management (good agricultural practice).
- Reducing the build-up of salts and chemical pollutants in the soil from excessive or inappropriate fertilizer and pesticide application (good agricultural practice).
- Reducing soil erosion by providing adequate soil cover and other runoff control measures (good agricultural practice).

115. These global environmental benefits are reflected quantitatively in the GEF-7 Core Indicators worksheet include in **Annex 18** and summarized below:

Focal area	GEF-7 indicators and targets	
Biodiversity	4.1 Area of landscapes under improved management to benefit biodiversity	2,366,763 ha
	4.4 Area of High Conservation Value Forest (HCVF) loss avoided	14,000 ha
Climate change	6.1 Carbon sequestered or emissions avoided in the AFOLU sector	10,740,674 tCO2e (lifetime direct)
Land degradation	3.1 Area of degraded agricultural land restored	50,000 ha
	3.2 Area of forest and forest land restored	150,000 ha

116. **Project objective**: To strengthen the projection of high conservation value and high carbon stock areas in Sabah through integrated landscape management approaches, sustainable and resilient palm oil value chains, and participatory conservation and restoration.

Component 1: Development of integrated landscape management systems

Total Cost: USD 9,836,000; GEF project grant requested: USD 1,000,000; Co-financing: USD 8,836,000

117. This component involves intra-governmental coordination, integration of spatial data, and multi-stakeholder collaboration in order to develop landscape and district-level land use plans and management guidelines. It also works to achieve policy harmonization and strengthened incentives to scale up ILM approaches across Sabah.

Outcome 1: Intra-governmental coordination and multi-stakeholder collaboration enabled for effective landscape management

118. The baseline situation and incremental reasoning for Outcome 1 are summarized below in **Table 6**.

Table 6*: Summary of baseline and incremental reasoning for Outcome 1*

Summary of Baseline Situation	Incremental Reasoning
Output 1.1: Enabling environment for integrated, multi-stakeholder collaborative approaches strengthened by introducing systems leadership skills and developing guidelines for integrated landscape management, in accordance with UNDP Social and Environmental Standards (SES)	
Sabah has instituted multi-stakeholder coordination mechanisms, for example the Heart of Borneo Steering Committee, as well as the Sabah Jurisdictional Approach Initiative Steering Committee. However, natural resource management is primarily addressed individually by the various production and conservation sectors, including agriculture, forestry, town and regional planning, parks, etc. More information is provided in **Annex 7** (*Stakeholder engagement plan*) and **Annex 14** (*Baseline report on governance, policy and land use planning*).	The GEF alternative involves strengthening the enabling environment for multi-stakeholder collaboration through rolling out a systems leadership approach to build durable capacities among government departments and agencies, private sector and civil society. Utilizing existing collaboration mechanisms and the strengthened involvement of multiple stakeholders, the project will facilitate development of integrated landscape management (ILM) guidelines, in accordance with UNDP social and environmental standards, and with the proactive encouragement of women's participation.
Output 1.2: Data-sharing platforms and protocols harmonized in support of integrated landscape management	
An important aspect of integrated landscape management is information sharing. The Sabah Geospatial Data Clearinghouse (SGDC) provides a powerful framework in this regard. Access to the clearinghouse mechanism is limited to date and the system is not yet sufficiently user-friendly to enable broad utilization.	GEF resources will support strengthening of data-sharing platforms and protocols, enabling genuine participatory integrated landscape management approaches.
Output 1.3: Integrated landscape management framework developed and mainstreamed through multi-stakeholder collaboration	
Sustainable development plans have been formulated in Sabah. The Sabah Structural Plan 2033 (SSP2033) is a long-term strategic planning document containing policies on safeguarding areas identified as high conservation value environment (HCVE) and priority conservation areas (PCA) throughout the state. The Sabah Maju Jaya (2021-2025) guides the direction of Sabah's policies and programs, guiding its strategic implementation towards the inclusive and sustainable development of the state. HCV/HCS maps have been produced in Sabah but are not yet fully integrated into land use decision-making processes across the production sectors. Although there are progressive sustainable development frameworks in place, planning across production and protection landscapes are largely sector centric. In the forestry sector, forest management plans are developed for each forest	The GEF alternative brings an integrated, participatory approach towards management of natural resources in the project landscapes. The integrated landscape management (ILM) framework will be produced through multi-stakeholder collaborative processes, engaging with governmental, private sector, civil society and landowners/users. The multi-stakeholder collaboration and coordination between different levels of government will be co-created by the stakeholders themselves in Year 1, with the support of expert collaborative facilitation. Targeted scenario analyses (TSAs) will be made to enable collaborative decisions based on conservation and socioeconomic criteria.

Summary of Baseline Situation	Incremental Reasoning
management unit. The state departments of agriculture formulate sector plans based upon food security and farmer livelihood priorities, according to a general scarcity of suitable land for agricultural production. More information is provided in **Annex 14** (*Baseline report on governance, policy and land use planning*) and in **Annex 16** (Landscape profile).	

119. Results expected through achievement of Outcome 1 include:

- (a) One multi-stakeholder ILM platform established for project landscape (with equitable participation of women), and (b) one ILM platform strengthened (with equitable participation of women)
- Two (2) state or local government units incorporate ILM actions into their planning processes

Output 1.1: Enabling environment for integrated, multi-stakeholder collaborative approaches strengthened by introducing systems leadership skills and guidelines for integrated landscape management, in accordance with UNDP Social and Environmental Standards (SES)

Key deliverables/results:

- Strategic environmental and social assessment (SESA)
- Cohort of sustainability champions trained on systems leadership
- Integrated landscape management (ILM) guidance document, developed in accordance with UNDP Social and Environmental Standards (SES)

120. Under this output, the enabling environment for integrated, multi-stakeholder collaborative approaches will be strengthened by instilling systems leadership skills among select sustainability champions and development of guidelines on integrated landscape management. In accordance with UNDP SES requirements for "upstream" work (e.g., policies, guidelines, training activities etc. that do not have a physical footprint) on "Substantial" rated projects, a scoped Strategic Environmental and Social Assessment (SESA) will identify key relevant UNDP Principles and Standards and ensure guidance and policy frameworks produced throughout the project are consistent with UNDP social and environmental standards. The assessment will be conducted at the start of the project and will inform further activity design and site selections. (Further screening and, where necessary scoped ESIAs, will identify impacts of project activities with a physical footprint and prescribe appropriate impact management measures. (see Outputs 4.2 and 5.1).

121. Indicative activities under Output 1.1 include:

1.1.1. Conduct a Strategic Environmental and Social Assessment (SESA), ensuring policy frameworks and other upstream activities under the project are consistent with UNDP SES, fully inclusive of stakeholder inputs and developed with proactive encouragement of the views and perspectives of women and poor/marginalized communities. The assessment will identify and highlight key relevant UNDP Principles and Standards to be reflected in project strategy and upstream outputs.
1.1.2. Deliver a series of systems change trainings to a cohort of sustainability champions.
1.1.3. Establish or strengthen an integrated landscape management (ILM) working group, facilitated by nominated facilitators among the cohort of trained sustainability champions.
1.1.4. Develop an ILM guidance document under the oversight of the ILM working group.
1.1.5. Deliver training and socialisation on application of the ILM guidance document through expert seminars, community meetings and production and dissemination of information materials.

Output 1.2: Data-sharing platforms and protocols harmonized in support of integrated landscape management

Key deliverables/results:

- Strengthened and improved access to data-sharing platforms and protocols

122. Implementation of integrated landscape management approaches requires efficient data-sharing among stakeholder groups. Under this output, project resources are allocated to strengthen existing data platforms and protocols and expand access.

123. Indicative activities under Output 1.2 include:

1.2.1. Conduct a gap analysis of current information and data systems, platforms as well as human resource capacity needs and prepare recommendations for harmonising according to the requirements outlined in the ILM guidance document.
1.2.2. Provide technical assistance (e.g., system development) on strengthening data-sharing platforms and protocols for enabling participatory implementation of ILM.
1.2.3. Deliver training and socialization of the data-sharing platforms among state and local government departments and agencies, civil society, private sector, and academic institutions as well as improved capacity (e.g., skills and knowledge of personnel) to maintain the system.

Output 1.3: Integrated landscape management framework developed and mainstreamed through multi-stakeholder collaboration

Key deliverables/results:

- Integrated landscape management (ILM) framework for the project landscape, consistent with UNDP SES requirements
- Action plans outlining priority actions mainstreamed into state and/or local planning frameworks

124. The activities under this output will start with establishing and convening a multi-stakeholder collaborative space for facilitating the ILM processes. SESA findings (see Output 1.1) will inform UNDP-compliant social and environmental screening procedure (SESP) screening and/or ESIA studies for each intervention site (see Output 5.1), to ensure consistency with UNDP SES requirements. Available information, including spatial plans, sector development plans, HCV/HCS maps will then be gathered and assessed. Sustainable land use scenarios will be then formulated through a well facilitated multi-stakeholder collaboration process, based on the proposed functional zones. The formulation of the scenarios will consider the following factors: (i) existing land use plans, (ii) state or local development plans, (iii) climate and ecosystem resilience and carrying capacity, (iv) socioeconomic priorities and (v) traditional dynamics in the landscapes, including, where relevant, the application of Free, Prior and Informed Consent (FPIC) procedures for indigenous communities. Examples of scenarios that would be assessed include the following:

- **Business as usual (BAU) scenario**, which is based on sector-centric development plans, with protection of critical ecosystems inconsistently factored into decision-making processes.
- **Scenario 1: compromised sustainable development target**, which will consider the existing land use activities and only propose protection of the remaining critical ecosystems. Under this scenario, restoration and/or rehabilitation of degraded areas will not be considered.
- **Scenario 2: feasible sustainable development target**, which will consider the existing land use activities; however, not will protection of the existing critical ecosystem be proposed, but also consider restoration and/or rehabilitation of degraded ecosystems.
- **Scenario 3: optimal sustainable development target**, which will describe the ideal situation where land uses comply with the existing environmental regulations and eco-biophysical attributes. This scenario could involve recommendations for transformation of existing land uses into what is optimal according to economic and environmental carrying capacities.

125. For each scenario, a **Targeted Scenario Analysis (TSA)** (or similar) will be conducted in line with the project needs to indicate the projected costs and benefits over time of development scenarios. The results of the TSA will be communicated through stakeholder consultations and the scenarios will then be finalised based on stakeholder feedback. After finalising the ILM framework, the project will advocate for mainstreaming sustainable development priorities into state and/or local planning frameworks.

126. Action plans with appropriate delivery mechanisms will then be prepared with priority interventions in accordance with UNDP SES.

127. Indicative activities under Output 1.3 include:

1.3.1. Establish or strengthen multi-stakeholder collaborative spaces at the landscape level and/or among the three key intervention areas to facilitate the ILM processes.
1.3.2. Gather and assess the most updated (i) spatial and land use data, policies and regulations, (ii) land use and land cover change), (iii) land systems, (iv) land and forest designation, (v) concessions/permits and (vi) secondary HCV/HCS data.
1.3.3. Through well-facilitated multi-stakeholder process, develop and assess land use scenarios (comprising of: BAU, compromised sustainable development scenario, feasible sustainable development scenario, and optimal development scenario based on the HCV/HCS maps for the project landscape), e.g., using targeted scenario analyses (TSAs) or similar methodologies.
1.3.4. Conduct public consultation on the draft scenarios with TSA results, with proactive encouragement of the participation of women, and then finalise the scenarios incorporating the feedback from stakeholders into a final version of the ILM framework.
1.3.5. Develop action plans with appropriate delivery mechanisms for each of the three key intervention areas based on the ILM framework and facilitate mainstreaming into state and/or local planning processes.

Outcome 2: Emerging approaches and incentive mechanisms leading towards effectively managed high conservation value areas socialised

128. The baseline situation and incremental reasoning for Outcome 2 are summarized below in **Table 7**.

***Table 7**: Summary of baseline and incremental reasoning for Outcome 2*

Summary of Baseline Situation	Incremental Reasoning
Output 2.1: Roadmap for recognising and strengthening the management of conservation areas (including OECMs) in production landscapes and local community sites in Sabah developed and socialised	
An HCV is a biological, ecological, social or cultural value of outstanding significance or critical importance often used in certification standards such as forestry and agriculture systems[40]. There is increasing conservation efforts (especially in relation to HCV forests) by the private sector and local communities within landscapes outside of protected areas, but there is limited awareness and pathways to recognise and support these efforts. Conservation areas is used to refer to sites including HCV forests where conservation initiatives are implemented. Conservation areas here broadly refers to the long term ecological and biological state of an area[41], potentially within production and community-managed landscapes, demonstrating HCV attributes, supported through other effective area-based conservation measures (OECMs), privately managed conservation areas and Indigenous Community Conserved Areas (ICCAs)[42].	The GEF alternative would scale up and provide recognition to the effort in setting aside HCVs and supporting their journey towards effectively managed conservation areas as part of the ILM framework, accelerating Malaysia's contribution towards Post 2020 Global Biodiversity Framework (GBF) for Target 3[46] This is achieved through: • Providing a road map to facilitate effectively managed HCV to enhance ecological functions and connectivity. • Encourage the adoption of various tools (including OECM screening tool or IUCN Green List voluntary standards) to support efforts towards effective management of HCV areas. Aligning the effective conservation initiatives to the landscape level through the ILM framework from Outcome 1 would further enhance Malaysia's

[40] HCV Malaysia Toolkit Steering Committee. 2018. Malaysian National Interpretation for the Identification of High Conservation Values. Kuala Lumpur, Malaysia.

[41] Jonas, H. D. and H. C. Jonas. 2019. Are 'Conserved Areas' Conservation's Most Compelling Story? Parks Vol 25. 2 November 2019

[42] 2nd Parks Congress, Kota Kinabalu Declaration 2022. Parks for Nature and People

[46] Convention on Biological Diversity. 2021. First Draft of the Post 2020 Global Biodiversity Framework. Target 3. Ensure that at least 30 per cent globally of land areas and of sea areas, especially areas of particular importance for biodiversity and its contributions to people, are conserved through effectively and equitably managed, ecologically representative and well-connected systems of protected areas and

Summary of Baseline Situation	Incremental Reasoning
The revised MSPO 2022 standard that will be applied from 1 January 2024[43] have adopted HCV requirements reflected under Principles 1[44] and 5 with the view to implement the HCV management plan, review its achievement/ practicality and enhance wherever possible[45]. Similarly, the RSPO standard reflects HCV requirements under Principle 7 to be protected and/or enhanced with the development of an integrated management plan. In relation to ICCAs, the Sabah Forest Policy 2018 recognises community engagements in forest management activities and has been using the social forestry management modality to reach consensus with local communities residing nearby forest management units. The project will identify ways these efforts could contribute towards the ILM framework. More information is provided in **Annex 14** (*Baseline report on governance, policy and land use planning*).	contribution to Target 1 of the GBF[47] while providing insights to guide science-based land use decisions and selection of suitable restoration sites towards Target 2 of the GBF[48].
Output 2.2: Fiscal and economic instruments explored, and recommendations formulated for facilitating ILM finance with a focus on incentivizing effective management of HCV forests in conservation areas across production landscapes and community sites	
To ensure the sustainability of ILM approaches, strategies for landscape level financing are needed to bring the transformation needed to sustain ILM partnerships and coordination. Landscape level finance supports multi-project, multi-sector investment portfolios that encourage synergies between investments to generate impacts at scale across multiple landscape objectives[49]. One focus of the ILM finance is to provide recommendations to incentivize conservation area entities to manage HCV forests effectively. More information is provided in **Annex 14** (*Baseline report on governance, policy and land use planning*).	Under the GEF alternative, financing strategies will be formulated at the landscape level to enhance ILM practices which includes mechanisms to incentivize the effective management of HCV forest areas. This new paradigm approach strengthens Government efforts through the practice of shared responsibility recognised as a sustainability enabler of Malaysia's long term Shared Prosperity Vision 2030 development plan. Facilitating targeted fiscal and economic instruments to catalyse community and private sector actions and recognising their efforts will propel greater conservation outcomes collectively.

129. Results expected through achievement of Outcome 2 include:

other effective area-based conservation measures, and integrated into the wider landscapes and seascapes (https://www.cbd.int/doc/c/abb5/591f/2e46096d3f0330b08ce87a45/wg2020-03-03-en.pdf).

[43] https://www.mpic.gov.my/mpi/en/palm-oil-news/sawit-mspo-2022-addresses-challenges

[44] https://www.mpocc.org.my/mspo-blogs/principle-1-of-the-revised-mspo-standards

[45] https://www.mpocc.org.my/mspo-blogs/principle-5-environment-natural-resources-biodiversity-and-ecosystems-services

[47] Convention on Biological Diversity. 2021. First Draft of the Post 2020 Global Biodiversity Framework. Target 1. Ensure that all land and sea areas globally are under integrated biodiversity-inclusive spatial planning addressing land- and sea-use change, retaining existing intact and wilderness areas.

[48] Convention on Biological Diversity. 2021. First Draft of the Post 2020 Global Biodiversity Framework. Target 2. Ensure that at least 20 per cent of degraded freshwater, marine and terrestrial ecosystems are under restoration, ensuring connectivity among them and focusing on priority ecosystems.

[49] Shames, Seth, and Sara J. Scherr. 2020. Mobilizing Finance across Sectors and Projects to Achieve Sustainable Landscapes: Emerging Models. Washington, DC: EcoAgriculture Partners

- (a) Roadmap (with gender mainstreaming) completed and socialised, (b) two conservation areas (CCAs, OECMs or privately managed conservation areas) recognised (with the encouragement of women participation)
- Two policy recommendations for incentive mechanisms submitted to relevant agencies (e.g., Ministry of Finance, Department of Lands and Surveys, etc.) for consideration

Output 2.1: Roadmap for recognising and strengthening the management of conservation areas (including OECMs) in production landscapes and local community sites in Sabah developed and socialised

Key deliverables/results:

- Roadmap for operationalising and strengthening conservation areas (including OECMs) in production landscapes and local community sites
- Potential conservation area entities such as private sector or government-linked palm oil companies and community representatives are aware of the benefits of effective management of HCV forests and processes involved to be recognised for the effort.

130. Output 2.1 focuses on facilitating the recognition of private sector and community efforts towards effective management of conservation areas (including OECMs) in Sabah to provide lessons learned for other sites in Malaysia.

131. Indicative activities under Output 2.1 include:

2.1.1. Prepare and socialise a road map for recognising and establishing conservation areas (including OECMs).
2.1.2. Undertake consultations with stakeholders on the linkages of HCV management and monitoring based on relevant guidelines[50] to complementary management effectiveness tools and programs in Malaysia (e.g., IUCN Green List or OECM program in Malaysia).
2.1.3. Convene a stakeholder workshop to raise awareness on the role and benefits of conservation areas within the ILM framework as well as potential synergies that can be harnessed to support the effective management of respective conservation areas.
2.1.4. Support 4-6 mini workshops to facilitate the identification of action plans and steps towards supporting effective conservation efforts or participation in related management effectiveness programs in Malaysia.

Output 2.2: Fiscal and economic instruments explored, and recommendations formulated for facilitating landscape level finance with a focus on incentivizing effective management of HCV forests in conservation areas and restoration efforts across production landscapes and community sites

Key deliverables/results:

- Recommendations for strengthening fiscal and economic instruments for landscape finance in incentivizing uptake of integrated, multi-stakeholder approaches
- Recommendations for developing policy, fiscal, economic and financial instruments to catalyse and accelerate the management of privately managed and community conserved areas (including OECMs) across production landscapes and community sites.
- Strategies for mobilising resources for landscape restoration initiatives while providing guidelines for the allocation of contributions for effective restoration efforts.

132. The project will carry out a comprehensive analysis of existing fiscal and economic instruments and undertake consultations with relevant stakeholders (e.g., Ministry of Finance State and Federal levels, Sabah Lands and Survey Department, financial institutions) to provide strategies for landscape level finance. The review will also specifically focus on fiscal and economic instruments to incentivise private sector and community-

[50] Examples include: MSPO HCV Full Assessment Approach for the MSPO Series Standard MS2530: 2022, MSPO HCV Rapid Self-Assessment Approach for the MSPO Series Standard MS2530:2022 (draft), HCV Malaysia Toolkit Steering Committee. 2018. Malaysian National Interpretation for the Identification of High Conservation Values. Kuala Lumpur, Malaysia and Wilmar & Proforest. 2021. Best Management Practices Manual for Growers on Forest Conservation and Community Collaboration. Wilmar International Ltd., Singapore.

managed management of conserved areas in the project landscape contributing to state and national level budgeting processes. Recommendations will be consistent with UNDP Programming Principles, promoting inclusivity (no one left behind), gender equality and women's empowerment, sustainability and accountability.

133. Indicative activities under Output 2.2 include:

2.2.1. Carry out a comprehensive analysis with relevant stakeholder consultation of existing fiscal and economic instruments and formulate recommendations for landscape level financing strategies to support ILM.
2.2.2 Carry out a comprehensive analysis on incentivizing the management of private sector and community managed conservation areas across production landscapes and community sites.
2.2.3. Prepare recommendations for fiscal and economic instruments as contribution towards state and national level budgeting processes.
2.2.4. Develop strategies for mobilising resources and guidance for allocation of CSR contributions for reforestation initiatives.
2.2.5. Convene a stakeholder workshop to share lessons and successes of fiscal and economic instruments and disseminate information on recommendations for strengthening the incentive framework.
2.2.6. Advocate and promote the available fiscal and economic instruments and for strengthening the incentive framework, through government liaison, stakeholder consultations, private sector networking, etc.

Component 2: Promotion of responsible value chains for palm oil and smallholder and medium-sized growers support

Total Cost: USD 32,618,121; GEF project grant requested: USD 3,316,121; Co-financing: USD 29,302,000

134. This component seeks to strengthen value chains for sustainable palm oil through strengthening multi-stakeholder collaboration processes, including accelerating the jurisdictional approach in Sabah. The activities under this component also are oriented towards establishing more sustainable and resilient production systems, through strengthening state and company partnerships for smallholder and medium-sized growers support, both on sustainable farming and in sustainable palm oil chains.

Outcome 3: Value chains for sustainable palm oil strengthened through multi-stakeholder collaboration

135. The baseline situation and incremental reasoning for Outcome 3 are summarized below in **Table 8**.

***Table 8**: Summary of baseline and incremental reasoning for Outcome 3*

Summary of Baseline Situation	Incremental Reasoning
Output 3.1: Multi-stakeholder collaboration processes strengthened	
The jurisdictional approach being implemented in Sabah, under the guidance of the Sabah Jurisdictional Approach Initiative Steering Committee (JCSC), is an ambitious, multi-stakeholder initiative to achieve 100% MSPO and RSPO certification across the entire palm oil sector in the state by 2025. The JCSC has equal representation of government, private sector, and civil society, a 5-year action plan is under revision, three of six working groups are functioning and field level roll-out is underway in Tawau District. Overall, however, the initiative has not progressed as envisaged and there are challenges in facilitating genuine multi-stakeholder involvement. More information is provided in **Annex 7** (*Stakeholder engagement plan*) and **Annex 15** (*Baseline report on commodity supply/value chains and farmer support systems*).	Project funds will help accelerate the Sabah jurisdictional approach, through adopting the systems leadership skills and tools developed under Outcome 1 of the project. A Sustainable Production Officer will be supported to strengthen interactions among the members and other interested stakeholders. The approaches under implementation in Tawau District will be introduced in one or more of the districts in the project landscape. And communications will be strengthened to expand the awareness of the initiative across the oil palm sector and facilitate dialogue with federal counterparts.
Output 3.2: Strengthened linkages and collaboration through the value chain	

Summary of Baseline Situation	Incremental Reasoning
The Malaysian government has made significant strides towards enhancing sustainability of the palm oil sector, including introduction of the Malaysian Sustainable Palm Oil (MSPO) certification in 2014. By October 2022, the total MSPO certified area in Malaysia amounted to 5,753,703 ha, where 11% are independent smallholders' area, 13% are organised smallholders' area and 76% are plantations[51]. In addition, efforts had been made to revise the MSPO standards in 2019, and the news standards now incorporates HCVs and social impact assessment, and greenhouse gas calculation for the entire supply chain.[52] Major players have achieved RSPO certification and 60% of the refineries in Malaysia are covered by No Deforestation-No Peat-No Exploitation (NDPE) commitments. Although important gains have been made in recent years, there are still sustainability shortfalls across the supply/value chains. For example, companies often engage in sustainability commitments with short-term objectives in mind; focusing on needs to meet legal requirements and secure land to develop plantations, and significantly downsize the intensity of their engagement activities thereafter. Among palm oil producers there is a feeling that buyers could provide more investment and support for projects that strengthen sustainable production. More information is provided in **Annex 15** (*Baseline report on commodity supply/value chains and farmer support systems*).	The project will facilitate improved connection and collaboration (a) between palm oil producers to increase cross-sector collaboration between peer companies (horizontally across the same stage of the value chain) as well as (b) between producers and buyers (vertically through the value chain) to increase investment and support from buyers into cross-sector coalitions as well as public private partnerships in production landscapes, and (c) between finance providers and companies working towards the sustainability of the sector. The project will facilitate cross-sector collaboration between producers for more systemic solutions and will work with producer groups to help get projects to be "investment ready" or "partnership ready" and facilitate connections with buyer groups. The focus will be on working with existing initiatives in Sabah (e.g., the Sabah Jurisdictional Approach Initiative) – and potentially also other sustainable production programmes in Malaysia (e.g., via MSPO and MPOB). In the demand markets the project will focus on working via industry groups (e.g., China Sustainable Palm Oil Alliance, European Palm Oil Alliance, India Sustainable Palm Oil Coalition, Southeast Asia Alliance for Sustainable Palm Oil, Consumer Goods Forum, Tropical Forest Alliance, RSPO). In relation to finance, the focus will be on connecting to existing initiatives working on finance for sustainable palm oil value chains.
Output 3.3: Traceability of oil palm in Sabah strengthened to facilitate responsible sourcing	
The Ministry of Plantation and Commodities (KPK) and the Malaysian Palm Oil Certification Council (MPOCC) have introduced tools and systems to improve traceability, including the MSPO Trace system. Moreover, Sustainable Oil Palm Grower Cooperatives (KPSM) and Sustainable Palm Oil Clusters (SPOC) assist smallholders to form cooperatives to sell FFB at a stable price and provide direct selling link to mills rather than via dealers and unknown middlemen which leads to a loss in selling price. KPSM acts to replace dealers in the supply chain and provide significant assistance in meeting independent smallholder traceability. Despite important investments by the government and by major CPO-buying multinationals in strengthening supply chains for certified palm oil, it remains difficult for companies wishing to source	The project will work with government, private sector, and civil society partners in assessing existing traceability tools and providing recommendations for improvement. Training will be delivered to local stakeholders on the implementation of the traceability systems. Partnering with the KPSM and SPOC, delivering capacity building through a cooperative and/or cluster approach will help bring more smallholders towards MSPO (and RSPO) certification. Collecting data and information on the oil palm footprint in the project landscapes will provide a scale-able framework to replicate across the state and other states in Malaysia.

[51] Source: MPOB, https://mspotrace.org.my/

[52] Information retrieved from https://www.mpocc.org.my/mspo-blogs/overview-of-revised-mspo-standards-ms25302022

Summary of Baseline Situation	Incremental Reasoning
responsibly to trace the origins of palm oil from within these states. More information is provided in **Annex 15** (*Baseline report on commodity supply/value chains and farmer support systems*)	
Output 3.4: Open innovation challenge introduced to identify solutions that can be scaled to address key sustainability issues facing the palm oil sector	
Upstream and downstream actors in the palm oil sector have made extensive sustainability commitments and have invested into processes and systems that help fulfil these goals. Transforming food systems has become more and more challenging, with increasing populations and the associated demand for agricultural land, disruptions associated with climate change, as well as from natural and public health disasters, such as the COVID-19 pandemic. There is a growing need for innovations, both in terms of new technologies and traditional approaches, for transforming and securing food systems at scale. There are a number of innovation-focused initiatives in place, such as the Palm Oil Innovation Group and the MIT SOLVE sustainable food systems challenge. There is a need to introduce such approaches that deal with specific sustainability challenges in the palm oil sector Sabah.	The project will facilitate an Open Innovation Challenge that addresses specific sustainability challenges in Sabah, including those related to social and environmental risks identified in the SESA and ESIAs, and related studies. The Open Innovation Challenge will build upon an existing programme or introduce new processes through engaging with the private sector, governmental agencies, civil society and scientific institutes. The cash prizes are envisaged to be funded through private sector financing, and the GEF funds will support low-value accelerator grants that would enable implementation of the innovations in the project landscapes.

136. Results expected through achievement of Outcome 3 include:

- Five new Signals of Change reported in the end-of-project assessment, demonstrating strengthened multi-stakeholder collaborative action
- (a) 100% of certified hectarage for MSPO Revision 2; (b) 50% of hectarage achieving RSPO readiness

Output 3.1: Multi-stakeholder collaboration processes strengthened

Key deliverables/results:

- Sabah Jurisdictional Approach initiative supported, including through the services of a Sustainable Production Officer
- Sustainable financing plan on maintaining multi-stakeholder collaboration

137. Existing collaborative bodies will be strengthened, to enable and prepare them to make changes that transform systems. The multi-stakeholder collaborative bodies will provide spaces for facilitating multi-stakeholder processes across each of the project components, including development of the integrated landscape management (ILM) framework in Component 1, engagement with upstream and downstream actors in the palm oil sector and strengthening of monitoring of oil palm footprints in Component 2, and implementation of participatory models on restoration and conservation of critical ecosystems in Component 3.

138. Achievement of multi-stakeholder collaboration will be measured using a Signals of Change assessment, using the UNDP Green Commodities Programme (GCP) methodology. The Signals of Change framework is included in the project *Stakeholder Engagement Plan* (see **Annex 7**); a few examples of Signals of Change (SoCs) include the following:

- New capacities, skills (early SoC)

- Increased connectivity between stakeholders (early SoC)
- New polices and regulatory frameworks (intermediate SoC)
- New budget allocations (intermediate SoC)
- Scaling and replication (advanced SoC)
- Institutional, financial sustainability (advanced SoC)

139. Indicative activities under Output 3.1 include:

3.1.1. Strengthen the functioning of the Sabah Jurisdictional Approach Initiative Steering Committee through supporting a Sustainable Production Officer for multi-stakeholder collaborative spaces, engagement with upstream and downstream actors in the palm oil sector and implementation of participatory models on restoration and conservation of critical ecosystems in the project landscape.
3.1.2. Sponsor development and delivery of training in facilitation and systems thinking leadership skills for identified local champions, ensuring women's perspectives are fully represented.
3.1.3. Facilitate dialogue between federal and state stakeholders regarding Sabah jurisdictional approach towards MSPO and RSPO certification.
3.1.4. Prepare a sustainable financing plan for multi-stakeholder collaboration (possible financing sources to consider include circular economy approaches regarding palm waste management, commodity funds, etc.), and advocate for implementation of the plan.

Output 3.2: Strengthened linkages and collaboration through the value chain

Key deliverables/results:

- Process put in place for brokering and facilitation of collaboration and partnerships that address shared sectoral issues and challenges (e.g., traceability, farmer support and access to finance, labour standards throughout the value chain) financing sustainable value chains, environmental monitoring, conservation finance) through cross-sectoral and systemic solutions via:
  - Greater cross-sector collaboration between upstream producers.
  - Increased collaboration between downstream buyers and upstream producers.
  - Collaboration with finance providers to align and mobilise funding towards sustainable value chains.
- Increased investment and support from downstream buyers into sustainable production initiatives in the target landscapes, as well as more broadly at the state and national level.
- Increased number of MSPO and RSPO certified smallholders, medium-sized growers, plantations, and mills.
- Improved facilitation of inward investment from downstream buyers into jurisdictional and landscape initiatives across the region (Malaysia, Indonesia, PNG).

140. The main objective of Output 3.2 is to strengthen cross-sector collaboration and public private partnerships to deliver more systemic, sector-wider solutions for sustainability challenges in the palm oil sector, including traceability, farmer training and support, environmental monitoring, labour standards, forest protection and conservation initiatives and finance for sustainable value chains. Activities under this output will also aim to improve collaboration within the target landscapes but also more broadly at state level and, where appropriate, national level and regionally.

141. The project will focus on facilitating approaches that improve coordination and increase collaboration (a) within the private sector and (b) between the private and public sectors. The focus will be on partnerships that can deliver solutions at the level of the landscape, district, state, country, and regional (transnational) level – rather than just in individual supply chains.

142. Private sector action on sustainable production and sustainable sourcing often focuses on individual supply chains, focusing on actions within company plantations and working with smallholders supplying to specific mills – in other words, the lower left-hand corner of Corporate Action Matrix below in **Table 9.**

Table 9: Corporate Action Matrix[53]

	Type of action		Geographic scope of action				
			Farms	Landscapes	Subnational	National	Global
Collaborative	Collective action	Institution building					
		Building coalitions & partnerships					
		Multi-stakeholder forums					
Coordinated	Individual or collective action	Technical assistance					
		Funding & finance					
		Advocacy					
Uncoordinated	Individual company and supply chain actions	Purchasing contracts / off-take agreements					
		Supply chain policies / purchasing agreements					
		Commitments					

143. The project will aim to strengthen coordination between companies (the central band of the matrix) and to facilitate more collective action (the upper band of the matrix) – and to do so across entire landscapes, as well as at the state, national, and (transnational) regional level.

144. Implementation of Output 3.2 will be supported by the UNDP Green Commodities Programme, building on existing relationships particularly with international palm oil buyers as well as large producers, and making linkages with other FOLUR country projects in the region that are addressing palm oil (Indonesia and PNG) and globally (Colombia, Guatemala, Liberia, Nigeria, Peru). In addition, the project will look to collaborate with other organisations working with the private sector and finance sector on sustainable production and supply chain issues in palm oil, particularly organisations with experience of working with groups of companies through coalitions. Examples include: Aidenvironment, Conservation International, Earthworm Foundation, IDH, Proforest, Solidaridad, and WWF.

145. In collaboration with these partners, the aim will be to develop and implement a process for the brokering and facilitation of collaboration partnerships. The emphasis will be on working with existing initiatives wherever possible, such as:

- At the production level: working with existing initiatives in Sabah (e.g., Sabah Jurisdictional Approach Initiative) – and potentially also other sustainable production projects in Malaysia (e.g., via MSPO and MPOB). This may include helping producer groups to get projects to be "investment ready" or "partnership ready".
- In the demand markets: connecting producer groups to groups of buyers via existing sector initiatives (e.g., China Sustainable Palm Oil Alliance, European Palm Oil Alliance, India Sustainable Palm Oil Coalition, Southeast Asia Alliance for Sustainable Palm Oil, Consumer Goods Forum (particularly the Forest Positive Coalition), Tropical Forest Alliance, RSPO).
- In relation to finance for sustainable value chains: connecting with existing initiatives such as the Value Based Investment Community of Practitioners (and the VBIAF Sectoral Guidance on Palm Oil), and work internationally on sustainable finance for palm oil from RSPO, UNPRI (PRI Investor Working Group on Sustainable Palm Oil) and others.

146. Where sustainable production projects do not exist in the project target landscapes, or where there are gaps that need to be addressed, the project will also identify how existing projects can be extended or where new projects need to be incubated. Key Malaysian based institutions engaged with the finance for the oil palm sector include MPOB, Bank Negara Malaysia (BNM), Agrobank, Alliance Islamic Bank Berhad, AmBank Islamic Berhad, Bank Islam Malaysia Berhad, Bank Muamalat Malaysia Berhad, Bank Rakyat, CIMB Islamic Bank Berhad, HSBC Amanah Malaysia Berhad, Maybank Islamic Berhad, OCBC Al-Amin Bank Berhad, Public Islamic Bank Berhad, RHB Islamic Bank Berhad and Standard Chartered Saadiq Berhad.

[53] Source: Value beyond value chains report, UNDP, 2019.

147. Indicative activities under Output 3.2 include:

3.2.1. Develop partnerships and alliances with aligned organisations to broker, facilitate and strengthen cross-sector collaboration and public private partnerships for sustainable production and sustainable supply chains – looking across the target landscapes, but also across the palm oil sector in the region (including Malaysia, Indonesia and PNG, and also Thailand, India and China).
3.2.2. Engaging with existing sustainable production initiatives in Sabah to identify specific projects and activities that would benefit from increased support and investment from buyers.
3.2.3. Supporting sustainable production and supply chain projects (as per 3.2.2) to prepare presentation and communication materials for attracting increased support and investment from buyers.
3.2.4. Engage with major industry groups in key demand markets to mobilize increased buyer investment and support in sustainable production and supply chain projects through existing coalitions and partnerships.
3.2.5. Engage with existing sustainable finance initiatives for collaboration with producer and buyer groups to identify and address gaps relating to funding of sustainable palm oil.
3.2.6. Provide on-going capacity building, technical assistance, brokering and facilitation support to ensure the further development and strengthening of coalitions and partnerships for sustainable production and supply chain projects.

Output 3.3: Traceability of oil palm in Sabah strengthened to facilitate responsible sourcing

Key deliverables/results:

- Assessment of existing traceability tools and systems and recommendations on improving the MSPO traceability database system on oil palm smallholders and medium-sized growers

148. Under Output 3.3, the project will facilitate strengthening of monitoring of oil palm footprints, particularly regarding smallholder production, thus enabling increased insertion of smallholders and medium-sized growers into sustainable supply/value chains. Collaborating with enabling stakeholders, for example KPK, MPOCC, KPSM and SPOC, an assessment of existing traceability tools and systems will be made, and recommendations made for improvements, based on best practices in the industry and other countries. Capacity building and awareness-raising will be delivered to local stakeholders on these systems, encouraging involvement by cooperatives and clusters, in order to increase attainment of CSPO certification among smallholders.

149. Indicative activities under Output 3.3 include:

3.3.1. Assess existing tools related to oil palm smallholder database and traceability to identify the most appropriate system (i.e., traceability from the farms/estates to the mills).
3.3.2. Provide recommendations and feedback on improvement of the MSPO Trace database system on oil palm smallholders and medium-sized growers.
3.3.3. Work with the stakeholders in supporting the development, adoption, and operationalisation of the recommendations.

Output 3.4: Open innovation challenge introduced to identify solutions that can be scaled to address key sustainability issues facing the palm oil sector

Key deliverables/results:

- An Open Innovation Challenge launched to address food systems, land use and restoration challenges
- Business plan for sustaining the process after GEF funding ceases

150. The aim of the Open Innovation Challenge is to identify and support innovative solutions to food systems, land use and restoration challenges in Malaysia. The role of the project will be to develop the concept and to find partners and funders to ensure that the concept is financially self-sustaining from the outset. The exact design of the Open Innovation Challenge will be determined during concept development, but the intention is to find proven solutions to food systems, land use and restoration challenges and to provide support to accelerate the scale up of these solutions. (The Open Innovation Challenge will not be looking for new /

unproven ideas to incubate or seed.) The Open Innovation Challenge will most likely provide support through financial prize / grant; access to investment; provision of advice; access to strategic contacts / networks / partnerships; publicity and communications support.

151. The innovation challenges will be developed through the process and with partners. The challenges could relate to any priority area for the project. On an indicative basis, this could include: challenges related to smallholder production, increase smallholder access to financial and technical support, methods to accelerate smallholder mapping / traceability and NDPE implementation (e.g. ensuring no deforestation via use of satellite monitoring tools, community raised grievance platforms and forest monitoring); local community forest protection ideas, use of digital tools – in data collection, to monitor and enhance smallholder productivity, traceability / transparency (e.g., Trase), detect deforestation and provide alerts, development of models or platforms and innovative financing structures to deliver service and smallholder support, business models and partnerships for new crop varieties, digital platforms to connect smallholders to markets, innovative solutions to rural waste management, and so on.

152. Specific challenge themes are likely to be set each call, which will focus on particular selected challenges. Examples of such challenges include the following:

- UNDP Ocean Innovation Challenge (http://www.oceaninnovationchallenge.org/)
- GEF Challenge Program for Adaptation Innovation (https://www.thegef.org/documents/call-proposals-challenge-program-adaptation-innovation)
- MIT SOLVE Sustainable Food Systems Challenge (https://solve.mit.edu/challenges/sustainable-food-systems)

153. The Open Innovation Challenge may be run only as a stand-alone Malaysian initiative or may connect into a regional or global challenge as well if other FOLUR countries / the FOLUR Global Platform also launch Open Innovation Challenges. In this case, there could be national level challenges and the winners go on to compete at the regional and/or global level. Under this scenario, strategic partnerships could be explored on a multi-country basis (e.g., IBM, OpenIDEO, PwC, etc.).

154. Indicative activities under Output 3.4 include:

3.4.1. Develop the concept for the Open Innovation Challenge, ensuring its openness to women and marginalized groups, and set up or link to an online platform.
3.4.2. Establish a grant administration function and support the administration of the Open Innovation Challenge for the duration of the project.
3.4.3. Engage strategic partners and raise financing for the financial prizes/grants.
3.4.4. Launch Open Innovation Challenge invitations, evaluate proposals, announce grantees.
3.4.5. Disburse low-value accelerator grants for strengthening enabling initiatives through SFD (according to UNDP low value grants procedures) that are complementary to the Open Innovation Challenge topics.
3.4.6. Regularly evaluate results and lessons and develop a business plan for sustaining the Open Innovation Challenge after project closure.
3.4.7. Produce communication materials, advocate for a long-term sponsor of the process, convene a workshop to showcase results and strengthen partnerships.

Outcome 4: Smallholder and medium-sized growers support systems strengthened for participation in sustainable farming and commodity supply chains

155. The baseline situation and incremental reasoning for Outcome 4 are summarized below in **Table 10**.

***Table 10**: Summary of baseline and incremental reasoning for Outcome 4*

Summary of Baseline Situation	Incremental Reasoning
Output 4.1: Capacity building delivered, and durable systems put in place to support smallholder farmers and medium-sized growers on the promotion of and increased uptake of sustainable production practices and farming systems	

Summary of Baseline Situation	Incremental Reasoning
Smallholder extension services are led by the MPOB, with assistance from other agriculture programmes led by the relevant agriculture ministries and departments. MPOB operates at the district level in Sabah to manage and implement smallholder improvement programmes and provide extension services. Sabah's Agriculture Department also has extension offices, but their services are primarily focused on food crops, not commodities such as oil palm. Based on baseline review carried out during the PPG phase, extension services are under-resourced, and many independent smallholders cannot access available services and inputs based on unresolved land tenure and other constraints. The private sector (mainly large refining companies and international buyers) is also engaged in extension programmes, often collaborating with NGOs and technical service providers to carry out smallholder sustainability and assistance projects within their direct supplying smallholders, such as smallholder mapping activities, FPIC implementation and the development of new initiatives and smallholder training programmes to improve practices and farmer resilience. Government bodies and organizations are rarely involved in these initiatives. More information is provided in **Annex 15** (*Baseline report on commodity supply/value chains and farmer support systems*).	Utilising the strengthened multi-stakeholder collaboration spaces and capacities, the project will work with partners from governmental agencies and departments, government linked companies, private sector players and civil society organizations, on improving the access and quality of extension services to smallholders and medium-sized growers. Training on best practice on-farm and off-farm sustainability practices will be delivered to smallholders, and training modules will be strengthened by integrating updated environmental sustainability aspects. Project resources are also allocated for developing state-wide roadmaps for improving overall extension services and securing land tenure for smallholders to fulfil national and NDPE commitments. And, the project will advocate for better utilizing private sector initiatives, such as CSR and CSPO outreach programmes for strengthening extension services in the project landscape.
Output 4.2: Interventions on restoration of degraded cropland, adoption of good agricultural practices, formation of cooperatives, crop diversification and implementation of upstream-smallholder management plans	
Oil palm is hailed as a yielding oil crop per hectare; however, is considered a weak performing crop for many independent smallholders. Oil palm still provides significant income contributions compared to other crops planted due to a higher selling price per harvest, but there is an increasing demand for new land as a result of low productivity. Technical knowledge of best practices including health and safety, use of agrichemicals and environmental protective measures are important aspects when developing and managing oil palm plantations. Smallholders generally are not well trained and aware of these practices. For example, it is also common for smallholders to use illegally obtained seedlings, loose fruits, and natural-germinated seedlings (germinated from loose fruit or tree cuttings) when developing plantations instead of utilizing certified seedlings from MPOB licensed nurseries. These seedlings may produce poorly performing trees during maturity.	Upstream-smallholder management plans will provide scale-able frameworks for engaging smallholders across the project landscapes and throughout the state. Through collaboration with ongoing initiatives, such as the MPOB clustering programme, project resources will help accelerate outreach and training to smallholders and medium-sized growers. Project resources are also allocated for supporting field interventions on improved soil and water management, restoration of degraded cropland, good agricultural practices, agroforestry practices, diversification, high quality seedlings and other yield-improvement and yield-resilient practices, pest management, etc.

Summary of Baseline Situation	Incremental Reasoning
Farmer performance and income generated under village-style, group-based schemes, and clustering programmes perform well due to proper management, assistance, and training directly from MPOB or other supporting bodies. The MPOB Sustainable Palm Oil Cluster (SPOC) programme provides assistance to farmers for on-farm improvements, diversification with other crops, etc. The Smallholder Oil Palm Initiative, which disburses soft loans to smallholders. And the RISDA Smallholder Rubber Scheme (also available for oil palm). There has been limited reach of these programmes to date, however, due to a low number of MPOB extension officers and lack of collaboration from the private sector for these programmes. More information is provided in **Annex 15** (*Baseline report on commodity supply/value chains and farmer support systems*).	
Output 4.3: Smallholders supported to access state crop assistance schemes and rural diversification activities	
Investments and subsidies are vital to promote the agriculture of food , to balance the footprint of oil palm and other commodities, and to improve smallholder livelihoods. There is an urgent need to increase resilience of smallholders towards price fluctuation through diversification of crops and agroforestry practices to provide the benefits of forest protection, soil and ecosystem services protection. There are several public and private sector programmes offering support, including the MYR 550 million (approx. USD 125 million) MPOB Soft Loan Replanting Scheme (TSKPS) and the Soft Loan Input Scheme for Smallholders (IPKS) managed by Agrobank, the Amanah Ikhtiar Malaysia microcredit scheme for rural development, the KPK tree planting programme for riparian restoration, etc. Smallholder access to financial capital and subsidies continue to be a hinderance due to largely to limited knowledge of available programmes and lack of capacity to prepare proposals and manage grants or microcredit. Independent smallholders without land grant titles can be a barrier to access of palm oil financial assistance schemes. More information is provided in **Annex 15** (*Baseline report on commodity supply/value chains and farmer support systems*)	The project will help facilitate increased awareness regarding subsidy and microcredit programmes, as well as build capacity of smallholders for accessing such programmes and managing the funds. Workshops will be convened at the local level, allowing smallholders a chance to attend and learn about existing programmes. Training will be delivered to smallholder groups, agricultural cooperatives and other community-based organizations will be trained, with practical guidance on developing proposals and fund management.

156. Results expected through achievement of Outcome 4 include:

- 10 new upstream-smallholder memoranda of understanding agreed (with at least 5 that enhance women's empowerment in agriculture) including engagement plans that include support for smallholder livelihood diversification and containment of oil palm expansion under NDPE policies

Output 4.1: Capacity building delivered, and durable systems put in place to support smallholder farmers and medium-sized growers on the promotion of and increased uptake of sustainable production practices and farming systems

Key deliverables/results:

- Extension workers trained, with equitable participation of women.
- State-level road map for improving extension services and securing land tenure for independent smallholders
- Ten (10) upstream-smallholder management plans
- Upstream-smallholder engagement workshops and field-based trainings
- Guidance document on addressing smallholder clearance of HCV and peatlands

157. Through multi-stakeholder platforms, engagements and secured buy-in from key stakeholders, there will be an opportunity to understand existing various smallholder support programmes from both the public and private sector. The project will adopt a stepwise approach following the methodology outlined in the UNDP GCP guidance on "Multi-Stakeholder Collaboration for Systemic Change: A New Approach to Strengthening Farmer Support Systems"[54].

158. The aim will be to understand the current gaps and issues during the implementation of these programmes and provide concrete intervention plans for improvement or develop new programmes. Initial activities such as a thorough supply chain mapping of smallholders and securing buy-in from stakeholders must be carried out in parallel. An initial selection of project location(s) to implement and trial farmer support projects can be conducted. Priority will be placed on:

i. Mills and smallholders located near high priority conservation forest areas (based on biodiversity studies, HCS or HCV studies).
ii. Certification status of smallholders (indicates level of extension services received by smallholders and agriculture standards).
iii. Existing / available programmes carried out with smallholders and medium-sized growers, and to what extent (smallholders which are already engaged means ease of further collaboration and generally more receptive).

159. Under this output, the project will facilitate engagement with upstream stakeholders (e.g., collection points, mills) and smallholders to enhance sustainability along this important part of the supply chain. Following a prioritization mapping analysis, mill-smallholder engagement workshops will be held in the project landscapes and field-based training delivered on best management practices, including compliance with UNDP SES. Upstream-smallholder management plans will be developed to provide stakeholders with guidance on ensuring sustainable approaches are mainstreamed into their normal operations.

160. One of the important considerations in the jurisdictional approach implemented in Sabah is determining an HCV compensation guidance for addressing smallholder clearance of HCV and peatlands since 2005, the proposed cut-off date for compensating HCV and peatland cleared for oil palm plantations. The project will assist the JCSC in developing a smallholder HCV compensation and remediation guidance document.

161. Indicative activities under Output 4.1 include:

4.1.1. Deliver training to extension officers/farmer support services, mainstreaming of options for environmental sustainability into extension modules of district extension offices (including agricultural extension, crop diversification), NGOs, and private sector, ensuring effective implementation of best management practices and knowledge sharing platforms (SPOC, etc.) by using resources developed by technical experts and the public sector. Sustainability training will be consistent with the UNDP SES and will be informed by the results of the SESA conducted under Output 1.1.

[54] https://www.greencommodities.org/content/gcp/en/home/tools/farmer-support-systems.html

4.1.2. Identify critical areas for the development of a state-wide roadmap for improved smallholder support services and raising awareness on land tenure (e.g., Department of Lands and Surveys, Sabah Native Land Services programme (PANTAS) for smallholders and medium-sized growers to support national commitments and NDPE policies.
4.1.3. Conduct upstream-smallholder engagement workshops and multi-stakeholder field-based trainings (in Sabah - coordinate with the Sabah Jurisdictional Approach Initiative Steering Committee) to develop upstream-smallholder management plans, compliant with SES requirements and reflective of the perspectives of women and marginalized groups.
4.1.4. Deliver capacity building (Train the Trainers) in collaboration with research institutions, government sector, CSPO System Holder, private sector and civil society partners on carrying out simplified HCV and HCS assessments for smallholders and recruitment for local monitoring.
4.1.5. Assist the JCSC Climate, Environment and Nature Conservation Working Group in developing an HCV compensation and remediation guidance on how the jurisdictional process can address smallholder forest clearance, and clearance of HCV and peatlands. Convene a stakeholder workshop on HCV compensation to share lessons learned.
4.1.6. Advocate for better utilization of company commitments, CSR programmes and CSPO outreach programmes as a platform for expanding and improving extension services within target areas.

Output 4.2: Interventions on restoration of degraded cropland, adoption of good agricultural practices, formation of cooperatives, crop diversification and implementation of upstream-smallholder management plans

Key deliverables/results:

- Case studies for each site intervention on restoration of degraded cropland, adoption of good agricultural practices, formation of cooperatives, crop diversification, etc.

162. Under this output, project resources are allocated for interventions based on specific site-level proposals on improved soil and water management, restoration of degraded cropland, good agricultural practices, agroforestry practices, diversification, high quality seedlings and other yield-improvement and yield-resilient practices, pest management. Site intervention proposals will be accompanied by SESP screening and where required scoped ESIA studies and impact management methods, to ensure the approved intervention plans are consistent with UNDP SES. Assessments will commence as soon as sites and activities are proposed and will inform further activity design and site selections. Building on the SESA under Output 1.1, the studies will identify downstream activities and potential risks, and develop impact management strategies based on the mitigation hierarchy of risk avoidance, minimization, mitigation and offsetting. The SESP will also be used to screen activities proposed under low value grants as part of this Output, and further studies such as scoped ESIA studies prescribed as necessary, commensurate with the foreseen levels of impact. FPIC will be required for any proposed activities which may impact the human rights, lands, territories, resources, traditional livelihoods or cultural heritage of indigenous peoples.

163. Indicative activities under Output 4.2 include:

4.2.1. Conduct SESP screening of proposed downstream activities, and where required, in accordance with UNDP social and environmental standards, ESIA studies scoped to the risks identified, and develop an Indigenous Peoples Plan, in accordance with UNDP SES Standard 6.
4.2.2. Provide investment assistance for interventions on improved soil and water management, restoration of degraded cropland, good agricultural practices, agroforestry practices, diversification, high quality seedlings and other yield-improvement and yield-resilient practices, pest management. Proposals will include detailed intervention plans and confirmation of co-financing for value added contributions.

Output 4.3: Smallholders supported to access state crop assistance schemes and rural diversification activities

Key deliverables/results:

- Gap analysis on existing public and private assistance schemes and recommendations for expanding access
- Increased awareness and strengthened capacities for accessing and managing assistance schemes

164. Under this output, the capacities of smallholders regarding accessing available assistance schemes will be strengthened. A gap analysis will be carried out on existing schemes and those under development, and recommendations formulated for expanding access and efficient utilization of such schemes. Information will be shared with smallholders through local level workshops and targeted trainings. Capacity building trainings will also be delivered for enhancing technical and financial management skills among smallholders, agricultural cooperatives, and other community-based organizations (CBOs) for accessing and managing funds from assistance schemes.

165. Indicative activities under Output 4.3 include:

4.3.1. Carry out a gap analysis on existing public and private assistance schemes on agriculture diversification activities and develop recommendations on improvement and scalability with significant representation from smallholders and women.
4.3.2. Convene local level workshops, roadshows, inviting representatives of governmental subsidy programmes, rural development banks and other partners to provide information to smallholders on available programmes and the processes and requirements.
4.3.3. Deliver training to smallholders, agricultural cooperatives, and other community-based organizations (CBOs) on proposal development and financial management for handling grant or microcredit funding, with the proactive inclusion of women.
4.3.4. Strengthen capacity of CBOs in accessing and managing grant and microcredit funding through disbursement of low-value grants for technical or financial management improvements.
4.3.5. Advocate and promote expanded awareness and access to the available subsidies, government incentives, and microcredit schemes available through the public and private sector, with an emphasis on rural income diversification, sustainable food systems and non-timber forest products (NTFPs).

Component 3: Conservation and restoration-rehabilitation of natural habitats through public-private-community partnerships

Total Cost: USD 19,673,000; GEF project grant requested: USD 2,000,000; Co-financing: USD 17,673,000

166. This component involves public-private-community partnerships to restore and connect areas of globally valuable forest that also provide wildlife corridors, through state forestry departments restoring-rehabilitating selectively logged and degraded forests, companies creating voluntary set-asides, and communities engaging in co-management agreements.

Outcome 5: High conservation value areas protected, restored-rehabilitated and connected

167. The baseline situation and incremental reasoning for Outcome 5 are summarized below in **Table 11**.

***Table 11**: Summary of baseline and incremental reasoning for Outcome 5*

Summary of Baseline Situation	Incremental Reasoning
Output 5.1: Degraded and fragmented ecosystems restored-rehabilitated to regain ecological functions, including connecting HCV/HCS and creating wildlife corridors, and mainstreaming connectivity principles into existing restoration-rehabilitation schemes through gender responsive approaches and partnerships with communities and the private sector	
Forest landscape restoration include land uses such as forest lands that is the dominant land use, agricultural lands that are being managed to produce food and protective/vulnerable land and buffers such as mangroves or watershed[55]. Participatory approaches have been implemented in Sabah for many years, including community forest	The GEF alternative involves scaling up and strengthening the coordination of existing restoration initiatives through onsite screening and ESIA studies, multi-stakeholder collaborative mechanisms and building upon lessons learned in the project landscapes and feeding into ongoing initiatives, through reconsidering priority areas for restoration-rehabilitation and conservation based

[55] IUCN and WRI (2014). A guide to the Restoration Opportunities Assessment Methodology (ROAM): Assessing forest landscape restoration opportunities at the national or sub-national level. Working Paper (Road-test edition). Gland, Switzerland: IUCN. 125pp.

Summary of Baseline Situation	Incremental Reasoning
management, agroforestry development, restoration of degraded land, etc. Some examples of baseline activities and key stakeholders include: 100 million Tree-Planting Campaign, riparian, social forestry, conservation areas within oil palm plantations and agroforestry projects (e.g. Sabah Softwoods Berhad, Sawit Kinabalu, Nestle RELeaf, Sime Darby, Wilmar, Kelawat Agroforestry development and restoration, Karamuak Cocoa, Bornion Timber Sdn Bhd, Jalawa Sdn Bhd, Mangkawagu social forestry project development of rubber agroforestry model, Community Forestry Projects (*Projek Perhutanan* Masyarakat), Sabah Parks, WWF-Malaysia, Sabah Foundation, Forever Sabah, Tropical Rainforest, Conservation and Research Centre, Danau Girang, Rhino and Forest Fund, South East Asia Rainforest Research Partnership, Bringing Back Our Rare Animals, Universiti Malaysia Sabah, etc. Forest restoration is a long-term process which requires extensive investments and monitoring to ensure its impact on the ground. Results have been mixed. In many cases, the lack of clear financing mechanisms and business model hinders the sustainability of the initiative. The limited personnel, e.g., within extension offices, to deliver vocational training and guidance has been another barrier. Land conflicts are an enduring consideration in such initiatives, with unclear demarcation of boundaries and lack of land tenure certification. More information is provided in **Annex 16** (Landscape profile).	on the results of the ILM plans, assessing multiple considerations in the development of restoration-rehabilitation and conservation plans, including opportunities for integrating nature based solutions, business planning and developing mechanisms to incentivise and ensuring sustainable financing of the restoration plans.
Output 5.2: Plantation companies and communities engaged on integrating HCV/HCS into management plans	
There are numerous upstream private sector and government-linked companies operating plantations in the project landscapes that have obtained MSPO and RSPO certification and made NDPE pledges. The sustainability commitments associated with these certifications and initiatives require conservation objectives to be integrated into management plans for the plantations. There are also management plan obligations among Forest Management Units (FMUs) – there are more than 10 FMUs in the project landscape in Sabah, for example. The HCV/HCS maps have only recently been completed for Sabah and these considerations have not yet been fully integrated into the forest management plans (FMPs) of the FMUs in Sabah. More information is provided in **Annex 16** (Landscape profile) and **Annex 14** (*Baseline report on commodity supply/value chains and farmer support systems*).	The GEF alternative involves promoting integrated landscape management approaches multi-stakeholder collaboration for prioritizing conservation of critical ecosystems, informed by ESIA studies, consistent with UNDP SESs and where applicable including FPIC procedures for indigenous communities. Oil palm plantation owners and operators and forest management units are among the key actors in the production sector in the Sabah, and conservation gains can be realized through integrating HCV/HCS considerations into the management plans of these operations.

Summary of Baseline Situation	Incremental Reasoning
Output 5.3: Partnerships strengthened with tertiary and research institutions, contributing to the development of the next generation of experts in Sabah on ecosystem restoration and community co-management	
There are several tertiary/research institutes in Sabah and in other states in Malaysia that are producing important applied research and collaborating with forestry departments, agricultural departments, as well as civil society and private sector. For example, School of International Tropical Forestry at the Universiti of Malaysia Sabah (UMS) works with communities, government departments and private sector on sustainable forest management. The Faculty of Forestry at the Universiti Putra Malaysia (UPM) has a collaboration with the Sabah Forestry Development Authority (SAFODA) in sustainable forest plantations. More information is provided in **Annex 7** (*Stakeholder engagement plan*).	The GEF alternative will strengthen partnerships with tertiary/research institutes through multi-stakeholder collaboration spaces, bringing together key actors in the project landscapes. Low-value grants will be awarded to accelerate development and application of innovative approaches on forest restoration-rehabilitation and community co-management, feeding into the participatory models implemented under Component 3.
Output 5.4: An online platform developed for data sharing focusing on restoration	
Restoration efforts are currently implemented at the project or local levels involving government agencies, local communities, private sector and the civil society. Several key considerations are needed to enhance the impacts and resources invested on the ground. These include coordinating restoration efforts at the landscape level, integrating local and ecologically sound perspectives into restoration plans and identify appropriate financing models to support the sustainability of restoration efforts.	The GEF alternative will strengthen the coordination of restoration initiatives and identify opportunities for collaboration and strategic actions to scale restoration impact at the project landscape. In addition, platforms for data sharing and lessons learned will be built while appropriate financing mechanisms will be identified to support the sustainability of the restoration efforts.

168. Results expected through achievement of Outcome 5 include:

- Three restoration and rehabilitation planning frameworks adopted for the three project key intervention areas (including pathways for women participation)
- Agreement in place with one or more host/funding entities to operate and maintain the platform after project closure

Output 5.1: Degraded and fragmented ecosystems restored-rehabilitated to regain ecological functions, including connecting HCV/HCS and creating wildlife corridors, and mainstreaming connectivity principles into existing restoration-rehabilitation schemes through gender responsive approaches and partnerships with communities and the private sector

Key deliverables/results:

- Maps of the agreed forest and cropland areas to be targeted for wildlife corridor protection and ecological restoration initiatives.
- Adapted restoration plans, including needs assessment on priority actions to develop workplans in the project landscapes
- Participatory models on restoration and conservation supported through low-value accelerator grant modalities
- Documentation and/or recording of traditional conservation knowledge

169. Under this output, the project will work with government, private sector, civil society partners and local communities on identifying priority degraded forest and cropland areas for restoration and conservation. Based

on the needs assessments, relevant investment arrangements including low-value grants will be initiated to accelerate and scale up existing initiatives, involving community-based forest management, sustainable utilization of NTFPs in buffer zones, or other collaborative agreements with communities for conservation or sustainable use of HCV/HCS areas in the project landscapes.

170. SESP screening, with emphasis on potential impacts to women and poor and marginalised groups, will be conducted for each of the site interventions, the results of which will inform specific safeguard measures commensurate with the degree of impacts foreseen. Where foreseen impacts require scoped, site-specific ESIAs, these will build on the priorities identified in the SESA (Output 1.1). ESIAs will assess where project activities may impact indigenous communities and vulnerable groups and will detail any requirement for additional safeguard management plans, such as an Indigenous Peoples Plan, Livelihood Restoration Plans, or others. Where screening, and/or targeted ESIAs indicate the possibility of adverse impacts, these will be designed out of the activity where possible. Where this is not possible the ESMPs, built on ESIA findings will include measures to mitigate/manage adverse impacts, in accordance with the ESMF (**Annex 9**). Assessments will commence as soon as proposed sites and activities are identified.

171. Indicative activities under Output 5.1 include:

5.1.1. Building upon existing initiatives and analyses made during the development of the ILM framework, adopt priority degraded areas identified through SESP scoping, and where required, ESIA studies, and systematic approaches such as the Restoration Opportunities Assessment Methodology (ROAM) to accelerate restoration-rehabilitation interventions of forest, agriculture and vulnerable lands.
5.1.2. Deliver capacity building and skills transfer to government, private sector, and civil society stakeholders and support development of intervention plans for participatory restoration and conservation initiatives, including technical aspects, business, and financial aspects, FPIC processes, etc.
5.1.3. Provide investment assistance for implementation of participatory restoration-rehabilitation and conservation initiatives, e.g., including carbon-insetting, agroforestry for improving/diversity livelihoods, community forest management to enhance ecological connectivity, etc. Proposals will include detailed intervention plans and confirmation of co-financing for value added contributions.
5.1.4. Safeguard community traditional conservation knowledge through supporting at least one initiative on documenting and/or recording and disseminating traditional approaches, with FPIC from the indigenous communities involved.
5.1.5. Convene a workshop for sharing lessons learned and best practices and promoting upscaling and replication among government, private sector, local communities and civil society.

Output 5.2: Plantation companies and communities engaged on integrating HCV/HCS into management plans

Key deliverables/results:

- Technical guidance and capacity development on integrating HCV/HCS findings into forest management plans and oil palm plantation management plans
- Updated forest management plans and oil palm plantation management plans

172. The project will provide guidance on how to integrate HCV/HCS considerations into management plans of oil palm plantations, forest management units and timber concession holders. Capacity building will be delivered to private sector and government-linked companies in the oil palm and timber sectors, promoting the principles of the ILM plans for the project landscapes. A stakeholder workshop will be convened to share best practice, and resources are allocated for advocating and promoting operationalization of the management plans; for example, through recording conservation set-asides in the land banks of oil palm plantation owners and forest management units.

173. Indicative activities under Output 5.2 include:

5.2.1. Deliver capacity building for industry sector (FMU license holders and government linked companies) on integrating HCV findings into their sustainable management practices to better orient their conservation initiatives.
5.2.2. Convene a workshop on best practices in integrating HCV/HCS into management planning processes, inviting oil palm, timber, conservation and other sectors.

Output 5.3: Partnerships strengthened with tertiary and research institutions, contributing to the development of the next generation of experts in Sabah on ecosystem restoration and community co-management

Key deliverables/results:

- Strengthened partnerships through awarding low-value grants tertiary/research institutes for expanding innovation in forest restoration-rehabilitation and community co-management
- Workshop held to showcase best practices in forest restoration-rehabilitation and community co-management approaches

174. Under this output, the project will strengthen partnerships between tertiary/research institutes and governmental departments and agencies, civil society, and the private sector. Representatives of tertiary-research institutes will be included in the multi-stakeholder collaboration spaces, and resources are allocated for awarding low-value challenge grants to help accelerate development and implementation of innovative approaches in forest restoration-rehabilitation and community co-management. The results of these developments will be linked up with the teams implementing participatory models under Component 3 and shared with stakeholders through convening a workshop.

175. Existing tools, such as the Landscape Analysis Tool (LAT) [56] developed under the Good Growth Partnership (GGP), will be considered and integrated into the innovative approaches developed by the tertiary-research institutional partners.

176. Indicative activities under Output 5.3 include:

5.3.1. Disburse challenge grant funding to tertiary/research institutions for expanding innovation into the field of forest restoration-rehabilitation and community co-management.
5.3.2. Facilitate partnerships with the grantees and other tertiary/research institutes and the teams implementing participatory models of restoration-rehabilitation and community co-management under Component 3.
5.3.3. Convene a workshop to showcase best practices, advocate for adoption of innovative approaches and facilitate durable partnerships among tertiary/research institutes, governmental departments and agencies, civil society, and the private sector.

Output 5.4: An online platform developed for data sharing focusing on restoration

Key deliverables/results:

- An online database on restoration initiatives in the project landscape, building upon the project processes as well as various initiatives such as the development of a restoration handbook adapted to the project ecosystems.
- Documentation of roles of stakeholders, strategic actions and opportunities for join efforts to enhance restoration impacts on the ground
- Options for hosting the online database are identified and implemented.

177. Through this output, the project will consolidate information on existing restoration initiatives in the project landscape and available resources through an online database. The database will be used to build a network of practitioners to encourage the sharing of information including lessons in overcoming issues and challenges (e.g., little advanced planning, planting material supply, poor seedling quality, poor species selection, poor post-planting tending and maintenance, continuous access, short term projects [57]) and identify opportunities for strategic actions building on the strengths and potential roles of stakeholders towards joint efforts. To ensure the sustainability of the database, the project will identify and facilitate a host entity to support the online database. Efforts will be made to diversify funding sources to scale up restoration efforts.

[56]The Landscape Analysis Tool's main objective is to analyse the status and dynamics of changes in deforestation that take place at the landscape level, as well as to assess the impact of any project which focuses on reducing deforestation in that specific landscape.

[57] Ong, R. 2022. A Decade of Forest Restoration: Challenges and Opportunities. Paper presented at the WWF-Malaysia 50th Anniversary.

178. Indicative activities under Output 5.4 include:

5.4.1. Develop an online database of restoration initiatives by governmental agencies, tertiary/research institutes, private sector, civil society and non-governmental organisations.
5.4.2. Identify opportunities for strategic actions (e.g., sign up to existing platforms or develop a spatial online platform to match donors and restoration projects) and joint efforts (sharing of resources, knowledge, etc.).
5.4.3. Identify and facilitate a host entity to sustain and maintain the platform over the long term.

Component 4: Knowledge management and impact monitoring

Total Cost: USD 6,912,482; GEF project grant requested: USD 702,482; Co-financing: USD 6,210,000

179. In this component, lessons will feed into the global FOLUR impact program and adaptive management supported through monitoring & evaluation, learning, and knowledge management.

Outcome 6: Adaptive management and sustainability facilitated through impact monitoring & evaluation and knowledge shared across Malaysia and FOLUR programme

180. Outcome 6 focuses on putting in place effective management procedures for ensuring efficient use of resources, inclusive participation, and improved knowledge management. The baseline situation and incremental reasoning for Outcome 6 are summarized below in **Table 12.**

Table 12: Summary of baseline and incremental reasoning for Outcome 6

Summary of Baseline Situation	Incremental Reasoning
Output 6.1: Project implementation and results monitored, evaluated and reported	
State level departments in Sabah have experience implementing GEF-financed and other donor projects. There is good capacity and understanding of UNDP and GEF requirements for procurement and financial reporting. Government cofinancing has been allocated to support project implementation.	The recruited project coordinators will be integrated into the functional operations of the responsible parties in Sabah. The project will contribute to FOLUR programme level M&E through its harmonized results framework and coordinated implementation and reporting procedures.
Output 6.2: Knowledge sharing for replication of best practice nationally and internationally through FOLUR global platform and UNDP Green Commodities Programme, and participation in the global Impact Programme events and activities	
There are several national, regional, and global platforms that Malaysian palm oil stakeholders are participating in. For example, Malaysia and Indonesia were the founding members of the Council of Palm Oil Producing Countries (CPOPC), and several buyers and producers are certified under the Roundtable for Sustainable Palm Oil (RSPO). Other regional and international cooperative alliances and coalitions include the Amsterdam Declaration Partnership, China Sustainable Palm Oil Alliance, European Palm Oil Alliance, India Sustainable Palm Oil Coalition, MVO – The Netherlands Oils and Fats Industry, and the Southeast Asia Alliance for Sustainable Palm Oil.	The GEF alternative provides access to the FOLUR Global Platform, led by the World Bank and developed to leverage policies, practices and investments that help to transform commitments into action and improvement on the ground, engaging with both the public and the private sectors, at global, regional and country levels.

181. Results expected through achievement of Outcome 6 include:

- (a) Ten knowledge products (four highlighting gender mainstreaming), (b) twenty communication pieces/stories, (c) four written and/or audio-visual records of traditional knowledge practices.

- (a) Two country documents, (b) Ten events, (c) Ten press reports.

Output 6.1: Project implementation and results monitored, evaluated and reported

Key deliverables:

- Project inception workshop and report
- Project progress reports and other M&E deliverables
- Regular reviews and updates of the SESP, Gender Analysis and Gender Action Plan, Stakeholder Engagement Plan, and other safeguard management frameworks and plans
- Midterm review report
- Terminal evaluation report
- Final project report

182. The activities under this output are designed to put in place enabling procedures and protocols to facilitate effective monitoring and evaluation. The project inception workshop, to be held within three months of signing of the project document, is a critical milestone on the implementation timeline, providing an opportunity to validate the project document, including the screening of social and environment risks; confirming governance implementation arrangements; assessing changes in relevant circumstances and making adjustments to the project results framework accordingly; verifying stakeholder roles and responsibilities; updating the project risks and agreeing to mitigation measures and responsibilities; and agreeing to the multi-year work plan. An inception workshop report will be prepared and disseminated among the project steering committee members. According to GEF requirements, two independent evaluations will be carried out of the project, a midterm review and terminal evaluation.

183. Under this output, the implementation of the project safeguard management frameworks and plans will be monitored and evaluated. These include the SESP, Gender Action Plan, Stakeholder Engagement Plan, and other safeguard instruments. Adaptive management measures will be implemented according to feedback from the M&E activities, and the safeguard management frameworks and plans will be updated accordingly.

184. Indicative activities under Output 6.1 include:

6.1.1. Organise the project inception workshop, including review of multi-year work plan, project results framework, tracking tools, stakeholder engagement plan, other safeguard frameworks and plans.; a record of the inception workshop will be documented in a project inception report.
6.1.2. Organise annual project stakeholder workshops as part of the annual work plan preparation and adaptive management.
6.1.3. Carry out regular monitoring and evaluation of the GEF core indicators and other metrics included in the project results framework.
6.1.4. Conduct regular monitoring and evaluation of the SESP, Gender Action Plan, Stakeholder Engagement Plan, and other safeguard frameworks and management plans.
6.1.5. Prepare the GEF Project Implementation Reports (PIRs) and other progress reports.
6.1.6. Procure and support an independent midterm review of the project, according to UNDP and GEF guidelines.
6.1.7. Procure and support an independent terminal evaluation of the project, according to UNDP and GEF guidelines.
6.1.8. Prepare the final report for the project; including the PIR for the last year of implementation, the terminal evaluation report, and the management response to the terminal evaluation report.

Output 6.2: Knowledge sharing for replication of best practice nationally and internationally through FOLUR global platform and UNDP Green Commodities Programme, and participation in the global Impact Programme events and activities

Key deliverables/results:

- Communications and Knowledge management Strategy and Action Plan for the project implemented

- Participation of relevant FOLUR Malaysia's representatives in Global FOLUR Community of Practice, Green Commodity Programme (GCP)'s Community of Practice and other relevant knowledge exchange platforms

185. Under this output, the project will establish knowledge management systems and facilitate generation of knowledge products, participation in subnational, national, regional and international FOLUR Global Platform events and activities. The project Communications and Knowledge Management Strategy and Action Plan will outline how the project will effectively communicate the intent of the project well as well as strategically to reach out actively, catalyse collaborative opportunities and branding towards transformative food systems production and land restoration (videos, campaigns in tandem with the Open Innovation Challenge, etc).

186. As one of FOLUR's 27 child/country projects, the FOLUR country project in Malaysia will link to **the FOLUR Global Platform**, led by the World Bank. The Global Platform and its partners will support individual country project with knowledge, technical assistance, and capacity building in promoting sustainable value chains. This platform is organized into 3 pillars:

A. Program Capacity Strengthening: focusing on providing technical assistance and innovative approaches for country projects to effectively implement the project.
B. Policy and Value Chain Engagement: focusing on engagements with private and public sector actors to achieve sustainable value chains in FOLUR countries.
C. Strategic Knowledge Management and Communications: focusing on knowledge management and exchanges across FOLUR countries and partners.

187. The Malaysia project will actively participate and contribute to the Global Platform as part of its effort to achieving FOLUR objective in at the country-level. In this case, the project will participate in relevant FOLUR global events, as well as in regional engagements and platforms. The project will also contribute to the development of FOLUR annual progress reports, quarterly monitoring and evaluation as well as lessons learned management and dissemination.

188. This output also includes development of a Sustainability Plan for the project, providing a practical framework for facilitating further progress towards achievement of longer-term outcomes and global environmental benefits, as outlined in the project Theory of Change. Implementation of the Sustainability Plan will be initiated during the project's lifespan, to guide the SFD and other project stakeholders.

189. Indicative activities under Output 6.2 include:

6.2.1. Develop and implement the project Communications and Knowledge Management Strategy and Action Plan, reviewed and updated regularly.
6.2.2. Establish and maintain information and knowledge sharing systems on the project, to reach out to stakeholders at the district, landscape and state levels including internet platforms, social media, for broader reach beyond state levels, etc.
6.2.3. Actively participate in annual Regional and Global FOLUR's workshops.
6.2.4. Actively participate in GCP's community of practice.
6.2.5. Participate in other relevant knowledge exchange programs or platforms to disseminate lessons learned from FOLUR Malaysia implementation.
6.2.6. Contribute to the development of Global FOLUR annual progress reports and quarterly M&E reports.
6.2.7. Contribute to the development of Global FOLUR knowledge, technical and policy products.
6.2.8. Host and participate in commodity based regional-level knowledge exchanges, especially with Indonesia and Papua New Guinea.
6.2.9. Develop and initiate the implementation of the project sustainability plan.

190. Agreement on intellectual property rights and use of logo on the project's deliverables and disclosure of information**:** To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the

GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy[58] and the GEF policy on public involvement[59].

Partnerships:

191. The project strategy has a strong emphasis on building upon baseline activities implemented by project partners, as well as on establishing new and strengthening existing partnerships to ensure the sustainability of the results achieved. The project will collaborate with and build on the lessons of a range of related initiatives. The project will connect to global level commodity and food supply chain initiatives and networks, primarily through UNDPs Green Commodities Programme, as well as through other means offered by FOLUR global platform. These connections will facilitate the project linking to global buyers interested in sourcing from jurisdictions advancing towards having deforestation free commodity production and also to learn latest best practice and policy of the global markets.

192. Some of the key related initiatives where partnerships will be fostered are listed below in **Table 13**.

Table 13: Intersection of related initiatives with project outputs

Other Initiatives	Main Partner(s)	Intersections with project outputs
GEF-7 FOLUR IP Global Platform	SFD	Output 6.2
GEF-7 FOLUR IP country projects in Indonesia and PNG	SFD	Outputs 1.3, 3.1, 3.2, 3.4, 5.1, 5.2, 6.2
Heart of Borneo Initiative	HoB Committee	All outputs
Sabah Jurisdictional Approach to Certified Sustainable Palm Oil	Sabah Jurisdictional Committee	All outputs
Malaysia Sustainable Palm Oil (MSPO) certification scheme	MPOB	Outputs 1.2, 2.2, 3.1, 3.2, 3.3, 3.4, 4.1, 4.2, 4.3, 5.1, 5.2, 5.3, 6.1, 6.2
Sustainable Palm Oil Clusters (SPOC) programme	MPOB	Outputs 3.1, 3.2, 3.3, 4.1, 4.2, 4.3
Sustainable Oil Palm Grower Cooperatives (KPSM)	MPOB	Outputs 3.1, 3.2, 3.3, 4.1, 4.2, 4.3
UNDP Green Commodities Programme	UNDP CO	All outputs
GEF Small Grants Programme in Malaysia	SGP Secretariat	Outputs 3.1, 4.2, 5.1, 5.2, 5.3 6.2
IFAD-GEF Sustainable management of peatland ecosystems	NRES	Outputs 2.1, 3.2, 3.4,4.2, 5.1, 5.3
European Union (EU) KAMI project	KPK, MPOB, MPOCC, European Forest Institute (EFI)	Outputs 3.1, 3.2
Sustainable Commodity Production and Trade: multi-stakeholder collaboration for systemic change	UNDP, SECO	Outputs 1.1, 1.3, 3.1, 3.2, 4.1, 4.2, 4.3
Sabah Landscapes Programme (SLP)	WWF-Malaysia	Outputs 1.1, 1.2, 1.3, 2.1, 3.1, 3.2, 3.3, 3.4, 4.1, 4.2, 4.3
Wild Asia Group Scheme (WAGS)	Wild Asia	Outputs 3.1, 3.2, 3.3, 3.4, 4.1, 4.2, 4.3
The National Initiative on Sustainable and Climate Smart Oil Palm Smallholders (NI-SCOPS)	Sustainable Trade Initiative (IDH)	Outputs 3.1, 3.2
Recognising and Reporting OECMs in Malaysia	SEARRP	Output 2.1
The IUCN Green List of Protected and Conserved Areas	IUCN Green List Malaysia Programme (WWF-Malaysia)	Output 2.1

193. Contributions from co-financing partners are summarised below.

Co-financing source	Co-financing type	Co-financing amount	Included in project results?	If yes, list the relevant outputs
Sabah State Government	Public investment (investment mobilised)	USD 54,062,000	No	N/A
WWF	Grant (investment mobilised)	USD 7,000,000	No	N/A
Wild Asia	Grant (investment mobilised)	USD 1,000,000	No	N/A

[58] See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/

[59] See https://www.thegef.org/gef/policies_guidelines

Co-financing source	Co-financing type	Co-financing amount	Included in project results?	If yes, list the relevant outputs
IDH	Grant (investment mobilised)	USD 2,051,144	No	N/A
UNDP	Grant (investment mobilised)	USD 1,000,000	No	N/A

Risks:

194. The identified risks that could affect the implementation and results of the project are described in the risk register in **Annex 5**, along with proposed mitigation measures and recommended risk owners who would be responsible to manage the risks during the project implementation phase.

195. The identified operational, financial, organisational, political, and strategic risks include possible resistance of local farmers in adopting the approaches promoted by the project, conflicting policy directions among federal, state and local governments, legislative approval flows do not match the project implementation timeframe, , inadequate participation and buy-in at local levels, private sector involvement not materialising as planned, impacts of ongoing COVID-19 pandemic or similar public health crisis on the continuity and delivery of the project, and impacts of a possible global economic recession on project delivery.

196. The social and environmental risks that were assessed as part of the social and environmental screening procedure (SESP) are also consolidated into the risk register. The SESP (see **Annex 4**) was finalised during project preparation, as required by UNDP's Social and Environmental Standards (SES). The SESP identified sixteen risks for this project that could have potential negative impacts in the absence of safeguards. One (1) of these risks was rated as Low, eleven (11) as Moderate and four (4) as Substantial. The overall SESP risk categorization for the project is Substantial.

197. In accordance with UNDP's SES guidelines, an Environmental and Social Management Framework (ESMF) has been developed for this substantial-risk project during the project preparation phase (see **Annex 9**). The ESMF will be publicly disclosed via the UNDP Malaysia website in accordance with UNDP's SES guidelines. The ESMF sets out the additional safeguards measures that apply to the project during the inception phase, including but not limited to: (i) the completion of a Strategic Environmental and Social Assessment, and site-specific Environmental and Social Impact Assessments (ESIA) studies, and on-site screening and impact-management of downstream project activities, to further assess potential risks and impacts associated with the project; and (ii) the development of an Environmental and Social Management Plan (ESMP) including identified management measures a s required based on the results of SESA and ESIA studies; (iii) development of an Indigenous Peoples Plan, outlining procedures for culturally-appropriate consultation with indigenous communities; and the development of a project-level Grievance Redress Mechanism. A fundamental principle of the project is there will not be any physical displacement, and no project activity will be implemented which would involve or lead to people being required to relocate, nor any which render untenable their continued residency in the project area. In addition, no project activity will take place which, when screened and assessed, is rated as having a risk significance of "High", and hence would increase the overall project rating to "High". The development of the SESA, ESIA studies and ESMP will involve public consultation and public disclosure. The SESA will be completed and the ESMP developed in the first six months of project implementation. Additional screening and ESIA studies will be conducted for each of the project intervention sites and ESMP elements will be integrated into the site intervention plans. Free, Prior Informed Consent (FPIC) will be applied for all activities affecting indigenous peoples. The implementation of the ESMP will be overseen by the Project Gender and Safeguards Officer and monitored throughout the duration of the project.

198. The project will adhere to UNDP SES Guidance Note Standard 6 on Indigenous Peoples. The SESP has identified potential impacts to the rights, lands, territories and traditional livelihoods of indigenous peoples. On-site screening and ESIAs will identify the presence of these peoples for each of the specific intervention sites, and further establish the nature of the risk(s), including any gender-related issues specific to indigenous groups. An appropriate Indigenous Peoples Plan will be developed. It will include a plan for culturally appropriate consultation with the objective of achieving agreement and Free Prior and Informed Consent (FPIC). Activities that may adversely affect the existence, value, use or enjoyment of customary/traditional lands, resources or territories will be avoided where possible. Where FPIC is determined to be a requirement, consultations will be

carried out with the objective of achieving initial consent from the specific rights-holders, as appropriate and in line with Standard 6 requirements. Culturally appropriate consultation will be carried out with the objective of achieving agreement and FPIC will be ensured on any matters that may affect the rights and interests, lands, resources, territories (whether titled or untitled to the people in question) and traditional livelihoods of indigenous peoples. Project activities affecting indigenous peoples will not commence until FPIC is agreed.

199. Per the ESMF, a project-level Grievance Redress Mechanism (GRM) will be established during the first six months of project implementation and detailed within the ESMP.

Stakeholder engagement and south-south cooperation:

200. A stakeholder analysis was undertaken during project preparation to identify key stakeholders and multi-stakeholder initiatives, consult with them regarding their interests in the project and define their roles and responsibilities during project implementation. A *Stakeholder Engagement Plan* (**Annex 7**) has been developed to guide the implementation team.

201. Achieving progress on the sustainable development agenda requires a departure from traditional top-down, hierarchical, and linear approaches to implementing change. Instead, it requires innovative and adaptive approaches that engage broad networks of diverse stakeholders to advance progress toward a shared vision for systemic change. This approach is often called Systems Leadership, defined as a set of skills and capacities that any individual or organization can use to catalyse, enable, and support the process of systems-level change, and comprised of three interconnected elements:

- The Individual: The skills of collaborative leadership to enable learning, trust-building and empowered action among stakeholders who share a common goal
- The Community: The tactics of coalition building and advocacy to develop alignment and mobilize action among stakeholders in the system, both within and between organizations
- The System: An understanding of the complex systems shaping the challenge to be addressed

202. As the GEF FOLUR programme strategically seeks system transformation, it is essential that these three factors are enabled in the programme. Development approaches previously have often ignored the individual leadership capacity and not invested appropriately in the community building around a shared vision for systemic change. In this case changing the systems around how we use land in favour of a more sustainable future for generations to come.

203. Therefore, the multi-stakeholder collaboration strategy of this programme involves creating capacity for leaders in government at all levels, as well as local champions in the landscape, to lead collaborative processes that transform systems and serve catalysts and enablers of systems transformation.

204. The approach will begin with a regional FOLUR systems leadership cohort with selected individuals from Indonesia, Malaysia, and Papua New Guinea, providing a deep and strong base for regional collaboration and leadership in the FOLUR landscapes. This will then lead to a train the trainer approach for local and cultural adaptation to develop the capacity of sustainability champions and systems leadership in the landscapes. At least 50% of spaces from each country / area will be earmarked for women.

205. Stakeholder collaboration across project levels, including district, landscape, state, national, regional and global is illustrated below in **Figure 12.**

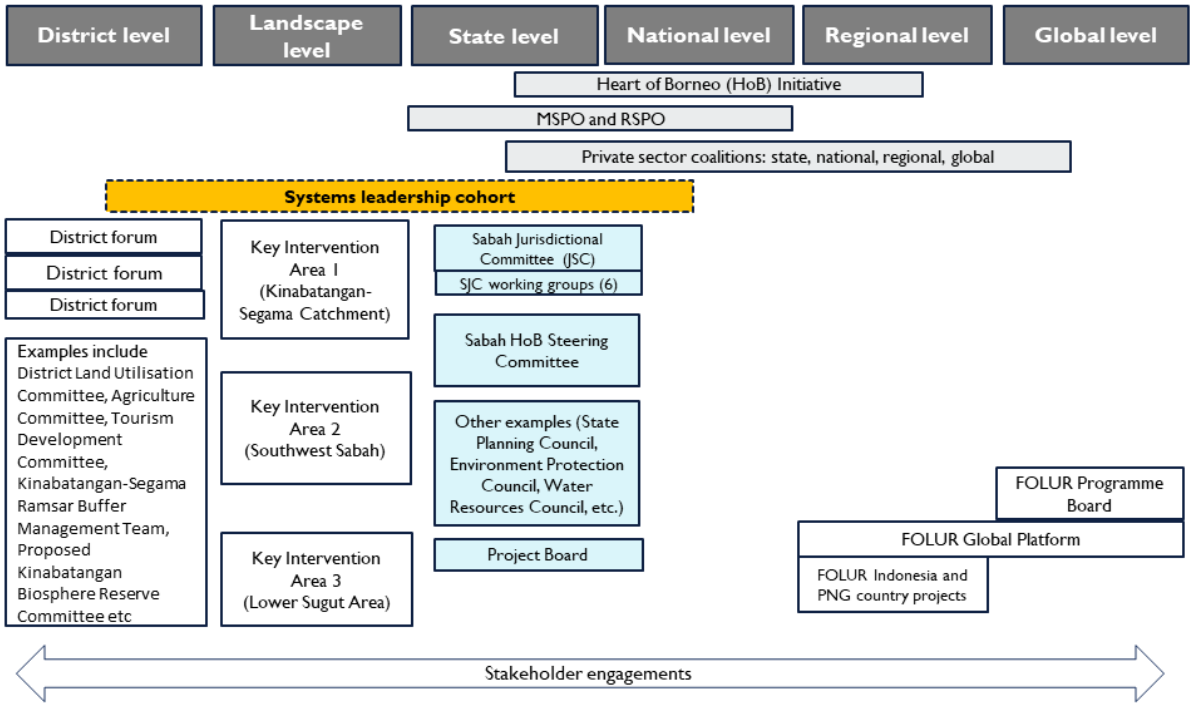


Figure 12: Stakeholder collaboration schematic

206. At the landscape level, multi-stakeholder fora will be strengthened established, linking up with existing cross-sectoral planning mechanisms, to facilitate mainstreaming of the ILM framework. The collaborative spaces at the landscape level will also coordinate with state level bodies and initiatives, including the HoB Steering Committees.

207. The Project Board will be an important multi-stakeholder collaboration platform, convening key stakeholders in providing oversight and strategic guidance to the project. The board will help guide the project in collaborating with existing national and regional initiatives, including the HoB Initiative, MSPO and private sector coalitions.

208. Interacting with other FOLUR country projects, particularly the ones in Indonesia and Papua New Guinea, and the FOLUR Global Platform will facilitate improved stakeholder collaboration at the regional and global levels.

209. The stakeholder engagement plan aims to generate the following benefits:

a. Engaged and motivated stakeholders who share an inspiring vision for the future.
b. Raise collective awareness of the challenges to raise the overall level of intelligence in the system.
c. Facilitate collaboration problem solving and implementation.
d. Promotion of equitable gender representation and leadership.
e. Build capacity to keep on doing collaborative work – for problem solving, innovation, resolving conflict.
f. Empower local champion stakeholders to lead collaborative processes so solutions have local ownership and are sustainable beyond the life of the project.
g. Build and strengthen relationships and trust that will last.
h. Blend with existing collaborative initiatives / mechanisms, and government processes.
i. Follow international good practice.

210. **South-south cooperation** (SSTrC): Experiences from the landscape on transformational change in land use planning, food and commodity systems will also be shared through South-South cooperation with other

countries participating in the FOLUR program. Opportunities will be built into the project for international exchanges with FOLUR country projects in Indonesia and Papua New Guinea (PNG). The project will connect with similar country projects based on similar commodities and approaches to share resources combined and collective knowledge management products for example, a collective guidance on sustainable palm oil or jurisdictional approaches. These products can then contribute to FOLUR Knowledge-to-Action Global Platform, and to facilitate dissemination through global ongoing South-South and global platforms, the UN South-South Galaxy knowledge sharing platform and PANORAMA[60]. In addition, to bring the voice of Malaysia to global and regional fora, the project will explore opportunities for meaningful participation in specific events where UNDP could support engagement with the global development discourse on food systems, land use and restoration. The project will provide regional cooperation opportunities with countries implementing initiatives on food systems, land use and restoration in geopolitical, social and environmental contexts relevant to the proposed project in Malaysia.

211. In addition, to bring the voice of Malaysia to global and regional fora, the project will explore opportunities for meaningful participation in specific events where UNDP could support engagement with the global development discourse on sustainable and resilient commodity production systems. The project will furthermore provide opportunities for regional cooperation with countries that are implementing initiatives on integrated landscape management in geopolitical, social, and environmental contexts relevant to the proposed project in Malaysia.

Gender equality and Women's Empowerment:

212. As in many Asian countries, women in Malaysia are strongly committed to family responsibilities prescribed by their gender role. Traditionally, women's main role is taking care of children and housework, while men are considered as breadwinners and heads of households. The Gender Inequality Index (GII, 2018), which reflects gender-based inequalities in three dimensions (reproductive health, empowerment, and economic activity), reported in the 2019 UNDP Human Development Report, Malaysia has a GII value of 0.274, ranking 58 out of 162 countries. In Malaysia, 15.8% of parliamentary seats are held by women, and 79.8% of adult women have reached at least a secondary level of education compared to 81.8% of their male counterparts. Female participation in the labour market is 50.9% compared to 77.4% for men.[61]

213. Women also play active roles in the traditional economy[62] in subsistence agriculture (for family consumption and small additional income) and in oil palm, rubber, and cocoa plantations. In rice cultivation, women carry out special tasks such as sowing seeds, taking care of seedlings, transplanting, and weeding, while the men will carry out more physically demanding work such as ploughing, managing the irrigation system, and harvesting. Women in oil palm plantations perform light work such as collecting loose fruits, while men take on the more physical work.

214. The gender mainstreaming strategy for the project recognizes the differences between labour, knowledge, needs, and priorities of men and women, and calls for:

- Proactive consultation of women stakeholders in the Strategic Environmental and Social Assessment conducted under Component 1, and in the field-based assessments of downstream project activities conducted under Components 2 and 3. Assessments will inform the design of project activities, ensuring that women's perspectives and views are fully incorporated. Under the UNDP Social and Environmental Standards, the project is committed to the proactive promotion of gender equality and women's empowerment.
- Dedicated consultation with women during the identification and design of incentive mechanisms to ensure women's perspectives help shape the mechanisms developed and ensure that they reflect women's livelihood priorities. As needed, organize separate consultations with women prior to ensure that they receive information about the specific activities and opportunities for them to

[60] https://panorama.solutions/en

[61] Human Development Report summary 2019, Malaysia, UNDP.

[62] Traditional economy is an economic system in which traditions, customs, and beliefs help shape the goods and services the economy produces, as well as the rules and manner of their distribution. Countries that use this type of economic system are often rural and farm based.

voice their views, needs and preferences. For consultations in communities consisting primarily of ethnic minorities, communication will also be delivered in local languages and using culturally appropriate methods.

- As part of the participatory integrated landscape assessments and sustainable use plans, identification, and recognition of areas where women play a key role in the cultivation, processing and marketing of traditional crops and livestock, and identification of areas where roles could be further developed.
- Equal representation of women in multi-stakeholder collaboration groups.
- Promoting women's empowerment in agriculture through targeted training and technical assistance to women farmers, ensuring that 50% of those are women and that training supports them to achieve livelihood objectives.
- Targeted training of women professionals among state and local governmental units, ensuring that an equitable number of trained staff members are women.
- Facilitation of opportunities for women and women groups to participate in project activities aimed at introducing improved farming practices, developing niche markets, broadening partnerships with agricultural associations and enterprises, etc.
- Targeted awareness-raising actions incorporated into the project knowledge management strategy and action plan.
- Recruitment of a Gender and Safeguards Officer to support the gender mainstreaming objectives of the project.
- Ensure and encourage equal opportunity recruitment of women for positions within the project coordination units, consultancies, and other service providers.

215. More information on gender mainstreaming is included in **Annex 10** (*Gender Analysis and Gender Action Plan*) to the project document. Specific gender equality and women's empowerment targets have been set, including ensuring equitable representation of women in project decision-making bodies; ensuring equitable proportion of benefits realized from the project will be delivered to women; ensuring gender considerations are integrated landscape management plans; promoting gender awareness throughout the project implementation phase, and promoting equal opportunity for employment for positions within the project management office, consultancies and other service providers. Moreover, resources for a full-time Gender and Safeguards Officer to oversee the implementation of the gender action plan.

Innovativeness, Sustainability and Potential for Scaling Up:

216. The project has the potential for impacts well beyond the target landscape since it will influence landscape-level planning and systems change leadership for other commodity sectors and across Malaysia. Through engagement with global supply chains, including building responsible demand in Asian markets, the project will have an impact on the global supply chain for sustainable palm oil, contributing to transformation of global commodity production to become more socially, economically and environmentally sustainable, and to halt tropical deforestation. In order to achieve this, the project will engage through the FOLUR global platform and the UNDP Green Commodities Programme with countries and platforms outside of the country as a means to scale results and impact the broader food system.

217. An Open Innovation Challenge is included in the project as a separate output, with the aim of facilitating innovative solutions to food systems, land use, and restoration challenges in Indonesia. Recognizing the need for applying innovations, both in terms of new technologies and traditional approaches, for transforming and securing food systems, the Open Innovation Challenge will provide a mechanism for reaching out to the wider stakeholder community.

218. The project is also introducing an innovative systems leadership approach that aims to effectively engage a broad network of diverse stakeholders to advance the goal of achieving transformational systemic change. Key individuals will be identified among project stakeholder groups as systems leaders or sustainability champions, who will be trained and help catalyse systems-level change.

219. A sustainability plan will be developed by the project that will outline the arrangements for facilitating the mainstreaming and upscaling of the innovative approaches and multi-stakeholder structures. To increase the likelihood that project results will be sustained and scaled up, the implementation of the sustainability plan will be initiated during the lifetime of the project.

220. The project will become one of the members of the Green Commodities Community administered by UNDP and will support the active engagement in the Community of the project team, government counterparts as well as key project stakeholders so they can connect with the other FOLUR participating countries to learn and share relevant lessons. Although commodity crops are vital for the country's continued economic development, bringing jobs, income for smallholders, tax revenue and foreign exchange earnings, Malaysian society is at a critical juncture in weighing up the costs of further expansion against the loss of important local benefits, such as non-timber forest products utilized by rural communities, and global benefits, such as carbon sequestration, and is working for societal consensus on the need to balance commodity production with the mutually supportive goals of conservation of HCV/HCS ecosystems and generation of socioeconomic benefits. Lessons from engagement in palm oil supply chains will be shared with other export sectors, leveraging large-scale change in Malaysia's approach to agricultural development planning. Pathways to scale are built into the project design, such that lessons learnt can be shared through with palm oil-producing states in peninsular Malaysia states, with multi-stakeholder dialogues facilitated on palm oil and other commodities. Best practice models of smallholder engagement and support can also be replicated among the country's large number of palm oil smallholders.

V. PROJECT RESULTS FRAMEWORK

This project will contribute to the following Sustainable Development Goal (s): SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 5 (Gender Equality), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), SDG 15 (Life on Land), SDG 17 (Partnerships for Goals)

United Nations Strategic Cooperation Framework Malaysia 2021-2025. Outcome 2: By 2025, environmental sustainability and resilience are mainstreamed as priorities within the national development agenda, across all sectors and levels of society; Output 2.2: Natural resources, biodiversity and ecosystems are sustainably managed, adequately protected and conserved for long-term economic and environmental sustainability.

Aligned with **UNDP Strategic Plan (2022-2025)** Output Signature Solution #4 (Environment); contributing to UNDP SP Result 4.1: Natural resources protected and managed to enhance sustainable productivity and livelihoods; and Result 4.2: Public and private investment mechanisms mobilized for biodiversity, water, oceans, and climate solutions.

Project title and Quantum Project Number: Integrated landscape management for sustainable food systems, land use and restoration in Sabah (01001625)

	Objective and Outcome Indicators	Data Source	Baseline	Mid-term Target	End of Project Target	Data Collection Methods	Risks/Assumptions
Project Objective: To strengthen the projection of high conservation value and high carbon stock areas in Sabah through integrated landscape management approaches, sustainable and resilient palm oil value chains, and participatory conservation and restoration	**Indicator 1 (GEF-7 CI 3; IRRF Indicator 4.1.2): Area of land restored** (hectares) **SDG 15.3**	Stakeholder consultations; literature review	Limited systematic approaches for the restoration-rehabilitation initiatives being implemented in the project landscape by government, civil society and private sector stakeholders.	200,000 ha identified through management plans, intervention plans, partnership agreements, MoUs, etc.	200,000 ha undergoing restoration, which includes: Sub-indicator 3.1: 50,000 ha Sub-indicator 3.2: 150,000 ha	Review of management plans, ground-truthing, monitoring records, GIS maps of intervention sites	Risks: Smallholder farmers reluctant to implement good agricultural practices, legal delays in establishing corridors, Communities or local governments are reluctant to take part in project interventions. Assumptions: Smallholder farmers assumed to be actively engaged; early socialisation of corridors assumed to help facilitate establishment; communities are assumed to be willing to participate in the public-private-community partnerships.
	Indicator 2 (GEF-7 CI 4; IRRF Indicator 4.1.2): Area of landscapes under improved practices (excluding protected areas) (hectares) **SDG 2.4; SDG 12.2; SDG 15.2; SDG 15.9; SDG 15.b**	Stakeholder consultations; data collection from public domains and official documentation; literature review	HCV/HCS areas mapped in Sabah, but not yet incorporated into planning mechanisms; Malaysia has pledged to maintain 50% forest cover.	2,380,763 ha (excluding protected areas) identified thought mainstreaming the ILM framework in the three key intervention areas, and the estimate of HCV forest loss avoided confirmed.	2,380,763 ha (excluding protected areas) which includes: Sub-indicator 4.1: 2,366,763 ha Sub-indicator 4.4: 14,000 ha	Review management plans, set-aside agreements and other; estimation and review of forest cover change	Risks: State and local government units slow to adopt priority actions in the ILM framework; production sector stakeholders unwilling to protect HCV forest areas. Assumptions: Multi-stakeholder collaboration will facilitate proactive engagement of local and state agencies; production sector stakeholders will be willing to update their management plans to rationalise development and protect HCV forest areas.

	Indicator 3 (GEF-7 CI 6): Greenhouse Gas Emissions Mitigated (metric tons of CO2e) **SDG 13.2; SDG 13.3**	Not applicable	Not applicable	Estimated end target of 10,740,674 tons CO2e (lifetime direct) confirmed through verification of assumptions and approved restoration plans	10,740,674 metric tons CO2e (lifetime direct) CO2e avoided in the AFOLU sector (Sub-Indicator 6.1)	Ex-Ante Carbon-balance Tool (EX-ACT); mapping and review of restoration-rehabilitation areas; estimation and review of forest cover reports	Risks: restoration-rehabilitation and improved management targets may not be met; management practices revert to business-as-usual post project. Assumptions: restoration-rehabilitation and improved management targets fulfilled and maintained post project.
	Indicator 4 (GEF-7 CI 11; IRRF Indicators 4.1.1, 4.2.1): # direct project beneficiaries disaggregated by gender as a co-benefit of GEF investment (individual people) **SDG 1.4; SDG 1.b; SDG 5.a**	Not applicable	Not applicable	10,000 direct beneficiaries (of whom 5,000 are women) benefiting from project-supported interventions	54,000 direct beneficiaries (of whom 27,000 are women)	Annual review of direct project beneficiaries, through training records, interventions under implementation.	Risks: Local people may be reluctant to participate in project sponsored activities; women may not be actively engaged in project activities. Assumptions: The District-Community Mobilisers will help facilitate participation of local people, and implementation of the gender action plan will result in active participation of women.
Component 1: Development of integrated landscape management systems							
Outcome 1: Intra-governmental coordination and multi-stakeholder collaboration enabled for effective landscape management	**Indicator 5:** (a) Number of gender-responsive multi-stakeholder ILM platforms established and (b) number of gender-responsive multi-stakeholder ILM platform strengthened	Stakeholder consultations; literature review	There are current limited or weak multi-stakeholder ILM platforms in Sabah	Systems leadership training delivered to (a) the ILM platform established for the project and (b) the existing platform for the Kinabatangan-Segama intervention area	(a) One project level ILM platform established, and (b) the platform for the Kinabatangan-Segama intervention area strengthened	Terms of reference for ILM platforms, records of meetings, training records	Risks: Multi-stakeholder collaboration may not be sustained, i.e., reverting back to business as usual after the project closes. Assumptions: Trained sustainability champions will help communicate the value of maintaining multi-stakeholder ILM platforms.
	Indicator 6: Number of state or local government units mainstreaming ILM priority actions into respective planning processes	Stakeholder consultations; literature review	Integrated approaches are reflected in state policies and strategies, but there is limited experience among state or local government units on implementing ILM	Two state or local government units trained of the process and importance of ILM	Two state or local government units incorporate ILM actions into their planning processes	Sector plans, local development plans, budgetary frameworks	Risks: State and local government units may not proactively engage in the project. Assumptions: The multi-stakeholder collaborative approaches, including the ILM platforms and systems leadership training, will be

							effective in communicating the benefits of adopting ILM.
Outputs to achieve Outcome 1	**Output 1.1:** Enabling environment for integrated, multi-stakeholder collaborative approaches strengthened by introducing systems leadership skills and developing guidelines for integrated landscape management, in accordance with UNDP Social and Environmental Standards (SES) **Output 1.2:** Data-sharing platforms and protocols harmonized in support of integrated landscape management **Output 1.3:** Integrated landscape management framework developed and mainstreamed through multi-stakeholder collaboration						
Outcome 2: Emerging approaches and incentive mechanisms leading towards effectively managed high conservation value areas socialised	**Indicator 7:** Number of conservation areas (including OECMs, Community Conserved Areas or privately managed conservation areas) recognised (with encouragement of women participation)	Stakeholder consultations; literature review	Limited pathways available to recognise the participation of local communities and private sector stakeholders in the conservation of HCV forests	Two management plans for conservation areas under preparation (with the encouragement of women participation), in accordance with the roadmap completed under Output 2.1	Two conservation areas (CCAs, OECMs or privately managed conservation areas) recognised (e.g., management plan in place) (with the encouragement of women participation)	Management plans for conservation areas	Risks: Local communities and/or private landowners do not recognise the benefit of establishing conservation areas. Assumptions: Socialisation of the roadmap produced under Output 2.1 will be effective in garnering proactive mobilisation of local communities and private landowners.
	Indicator 8: Number of policy recommendations for incentive mechanisms to support ILM practices formulated and advanced for adoption	Stakeholder consultations; literature review	Limited incentive mechanisms available to support ILM practices	Two policy recommendations developed for incentive mechanisms to support ILM practices	Two policy recommendations for incentive mechanisms submitted to relevant agencies (e.g., Ministry of Finance, Department of Lands and Surveys, etc.) for consideration	Policy recommendations submitted to relevant agencies	Risks: Relevant agencies may not be open for considering the policy recommendations. Assumptions: The multi-stakeholder collaborative approaches facilitated on the project will be effective in engaging key agencies.
Outputs to achieve Outcome 2	**Output 2.1**: Roadmap for recognising and strengthening the management of conservation areas (including OECMs) in production landscapes and local community sites in Sabah developed and socialised **Output 2.2:** Fiscal and economic instruments explored, and recommendations formulated for facilitating ILM finance with a focus on incentivizing effective management of HCV forests in conservation areas across production landscapes and community sites						
Component 2: Promotion of responsible value chains for palm oil and smallholder and medium-sized growers support							
Outcome 3: Value chains for sustainable palm oil strengthened through multi-	**Indicator 9:** Number of Signals of Change, demonstrating strengthened multi-	Stakeholder consultations	Baseline Signals of Change assessment at project inception	Two new Signals of Change reported in the midterm assessment	Five new Signals of Change reported in the end-of-project assessment	A baseline Signals of Change assessment will be made at project inception through focus group discussion approach, and follow-up assessments will be made	Risks: Multi-stakeholder collaboration may not be maintained due to departure of key personnel or lack of commitment in the process.

stakeholder collaboration	stakeholder collaborative action					at the midterm and end of the project.	Assumptions: The cohort of sustainability champions will be sufficiently large to mitigate impacts from departure of key personnel.
	Indicator 10: (a) Percentage of certified hectarage for MSPO (Revision 1 and 2), and (b) percentage of hectarage achieving RSPO readiness	Data collection from public domains and official documentation; literature review	(a1) 94% for MSPO Revision 1; (a2) To be determined at project inception for MSPO Revision 2 (no information available during PPG phase); (b) 26.96% for RSPO (416,000 ha) certification	(a1) 100% for MSPO Revision 1; (a2) 50% for MSPO Revision 2; (b) 30% achieving RSPO readiness (this does not mean receiving the certification, but it shows that 26.96% from the baseline is ready because they are already certified)	(a1) 100% for MSPO Revision 1; (a2) 100% MSPO Revision 2; (b) 50% achieving RSPO readiness	Annual review of available MPOB records	Risks: Smallholders and medium-sized growers may not be able to meet criteria requirements for certification and/or do not pass certification audits. Assumptions: Smallholders and medium-sized growers will fulfil requirements for certification; off-taker companies are willing to partner with and support smallholders and medium-sized growers for certification.
Outputs to achieve Outcome 3	**Output 3.1:** Multi-stakeholder collaboration processes strengthened **Output 3.2:** Strengthened linkages and collaboration through the value chain **Output 3.3:** Traceability of oil palm in Sabah strengthened to facilitate responsible sourcing **Output 3.4:** Open innovation challenge introduced to identify solutions that can be scaled to address key sustainability issues in the palm oil sector						
Outcome 4: Smallholder and medium-sized growers support systems strengthened for participation in sustainable farming and commodity supply chains	**Indicator 11:** Number of new upstream-smallholder memoranda of understanding (MoUs) including engagement plans that include support for smallholder livelihood diversification and containment of oil palm expansion under NDPE policies (gender disaggregated)	Not applicable	Not applicable	Ten upstream-smallholder management plans prepared (with five that enhance women's empowerment in agriculture)	Ten upstream-smallholder MoUs agreed (with five that enhance women's empowerment in agriculture)	Review of upstream-smallholder management plans and memoranda of understanding (MOUs)	Risks: Upstream facilities and independent smallholders may be unwilling to participate or fail to reach agreement. Assumptions: Upstream facilities and independent smallholders recognise the benefits of cooperating and enter into mutually beneficially agreements.
Outputs to achieve Outcome 4	**Output 4.1**: Capacity building delivered, and durable systems put in place to support smallholder farmers and medium-sized growers on the promotion of and increased uptake of sustainable production practices and farming systems **Output 4.2:** Interventions on restoration of degraded cropland, adoption of good agricultural practices, formation of cooperatives, crop diversification and implementation of upstream-smallholder management plans						

	Output 4.3: Smallholders supported to access state crop assistance schemes and rural diversification activities						
Component 3: Conservation and restoration-rehabilitation of natural habitats through public-private-community partnerships							
Outcome 5: High conservation value areas protected, restored-rehabilitated, and connected	**Indicator 12:** Number of restoration and rehabilitation planning frameworks developed and adopted at the three project key intervention areas	Stakeholder consultations; literature review	Limited feasibility studies or systematic approaches undertaken in the planning of restoration and rehabilitation efforts	Three restoration and rehabilitation planning framework drafted for the project key intervention areas (including pathways for women participation)	Three restoration and rehabilitation planning frameworks adopted for the project key intervention areas (including pathways for women participation)	Annual review of progress made towards developing and adopting the planning frameworks	Risks: Multi-stakeholder engagement may not be as effective as planned, and restoration and rehabilitation efforts remain uncoordinated. Assumptions: The District-Community Mobilisers will help facilitate participation of multiple stakeholders in the key intervention areas.
	Indicator 13: An agreement with one or more host/funding entities to operate and maintain an online restoration platform after project closure	Stakeholder consultations; literature review	There is no platform for sharing information on restoration in Sabah; initiatives are dispersed and uncoordinated	Online platform established and functioning, with information on project-funded restoration initiatives uploaded	Agreement in place with one or more host/funding entities to operate and maintain the platform after project closure	Review of progress towards establishment of the online platform, number of users, and commitment(s) for sustaining the platform after project closure	Risks: Agreement may not be reached to sustain the platform after project closure. Assumptions: One or more host/funding entities agree to sustain the platform after project closure.
Outputs to achieve Outcome 5	**Output 5.1:** Degraded and fragmented ecosystems restored-rehabilitated to regain ecological functions, including connecting HCV/HCS and creating wildlife corridors, and mainstreaming connectivity principles into existing restoration-rehabilitation schemes through gender responsive approaches and partnerships with communities and the private sector **Output 5.2:** Plantation companies and communities engaged on integrating HCV/HCS into management plans **Output 5.3:** Partnerships strengthened with tertiary and research institutions, contributing to the development of the next generation of experts in Sabah on ecosystem restoration and community co-management **Output 5.4.** An online platform developed for data sharing focusing on restoration						
Component 4: Knowledge management and impact monitoring							
Outcome 6: Adaptive management and sustainability facilitated through impact monitoring & evaluation and knowledge shared across Malaysia and FOLUR programme	**Indicator 14:** Number of systems developed or strengthened (gender disaggregated), including: (a) knowledge products, (b) communication pieces/stories (c) written and/or audio-visual records	Not applicable	Not applicable	(a) Five knowledge products (two highlighting gender mainstreaming), (b) ten communication pieces/stories (i.e., EXPOSURE stories and PANORAMA solutions), (c) two written and/or audio-visual records of traditional knowledge practices	(a) Ten knowledge products (four highlighting gender mainstreaming), (b) twenty communication pieces/stories (i.e., EXPOSURE stories and PANORAMA solutions), (c) four written and/or audio-visual records of traditional knowledge practices	Annual review of documented knowledge management, through interviews, desktop review and field surveys	Risks: Documenting knowledge on the project may not be prioritized. Assumptions: A Communications and Knowledge Management Strategy and Action Plan will be prepared under Output 6.1. A full-time Communications Officer will be responsible for overseeing communications and knowledge management on the project. Based on annual

	of traditional knowledge practices						progress reviews, the action plan will be updated to reflect emerging issues and ensure timely adaptive management.
	Indicator 15: Number of (a) country documents, (b) events, and (c) press promoting FOLUR	Not applicable	Not applicable	(a) Two country documents, (b) four events, (c) two press reports	(a) Two country documents, (b) ten events, (c) ten press reports	Review of press coverage, media reports, online posts, etc.	Risks: Information from FOLUR Global Platform events and other subnational, national, regional and global interactions is not effectively disseminated with the wider FOLUR Community of Practice and general public. Assumptions: Participation in FOLUR Community of Practice events will be promoted by the Project Board and facilitated by the Communications Officer.
Outputs to achieve Outcome 6	**Output 6.1.** Project implementation and results monitored, evaluated and reported **Output 6.2.** Knowledge sharing for replication of best practice nationally and internationally through FOLUR global platform and UNDP Green Commodities Programme, and participation in the global Impact Programme events and activities						

VI. MONITORING AND EVALUATION (M&E) PLAN

221. Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP (including guidance on GEF project revisions) and UNDP Evaluation Policy. **The UNDP Country Office is responsible for ensuring full compliance with all UNDP project M&E requirements including project monitoring, UNDP quality assurance requirements, quarterly risk management, and evaluation requirements**.

222. Additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the GEF Monitoring Policy and the GEF Evaluation Policy and other relevant GEF policies[63]. The M&E plan and budget included below will guide the GEF-specific M&E activities to be undertaken by this project.

223. In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report.

Minimum project monitoring and reporting requirements as required by the GEF:

224. Inception Workshop and Report: A project inception workshop will be held within 2 months from the First disbursement date, with the aim to:

a. Familiarize key stakeholders with the detailed project strategy and discuss any changes that may have taken place in the overall context since the project idea was initially conceptualized that may influence its strategy and implementation.
b. Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.
c. Review the results framework and monitoring plan.
d. Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP and other stakeholders in project-level M&E.
e. Update and review responsibilities for monitoring project strategies, including the risk log; SESP report, Social and Environmental Management Framework and other safeguard requirements; project grievance mechanisms; gender strategy; knowledge management strategy, and other relevant management strategies.
f. Review financial reporting procedures and budget monitoring and other mandatory requirements and agree on the arrangements for the annual audit.
g. Plan and schedule Project Board and state-level steering committee meetings and finalize the first-year annual work plan.
h. Formally launch the Project.

GEF Project Implementation Report (PIR):

225. The annual GEF PIR covering the reporting period July (previous year) to June (current year) will be completed for each year of project implementation. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR. The PIR submitted to the GEF will be shared with the Project Board. The quality rating of the previous year's PIR will be used to inform the preparation of the subsequent PIR.

GEF Core Indicators:

226. The GEF Core indicators included as **Annex 17** will be used to monitor global environmental benefits and will be updated for reporting to the GEF prior to MTR and TE. Note that the project team is responsible for updating the indicator status. The updated monitoring data should be shared with MTR/TE consultants prior to required evaluation missions, so these can be used for subsequent ground-truthing. The methodologies to be used in data collection have been defined by the GEF and are available on the GEF website.

[63] See https://www.thegef.org/gef/policies_guidelines

Independent Mid-term Review (MTR):

227. An independent mid-term review (MTR) will be completed by the mid-point of the project.The terms of reference, the review process and the final MTR report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects available on the UNDP Evaluation Resource Center (ERC). The MTR must be submitted to the GEF by the mid-point of the project but no later than 48 months after CEO Endorsement.

228. Provisions must be taken to complete and submit the MTR within the submission deadline. Therefore, the MTR process must start no later than 8 months before the expected date of submission of the MTR.

229. The evaluation will be 'independent, impartial and rigorous'. The consultants that will be hired by UNDP evaluation specialists to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the consultants should not be in a position where there may be the possibility of future contracts regarding the project under review.

230. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the evaluation process. Additional quality assurance support is available from the BPPS/NCE-VF Directorate.

231. The final MTR report and MTR TOR will be publicly available in English and will be posted on the UNDP ERC by 8 July 2027

232. A management response to MTR recommendations will be posted in the ERC within six weeks of the MTR report's completion.

Terminal Evaluation (TE):

233. An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects available on the UNDP Evaluation Resource Center. TE must be submitted to the GEF no later than 6 months after the Completion Date. This is a hard deadline that, if not met, can only be extended through a formal extension request.

234. Provisions must be taken to complete and submit the TE within the submission deadline. Therefore, TE must start no later than 8 months before the expected date of submission of the TE (or 11 months prior to the estimated operational closure date).

235. The evaluation will be 'independent, impartial and rigorous'. The consultants that will be hired by UNDP evaluation specialists to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the consultants should not be in a position where there may be the possibility of future contracts regarding the project being evaluated.

236. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the terminal evaluation process. Additional quality assurance support is available from BPPS NCE.

237. The final TE report will be publicly available in English and posted on the UNDPHY ERC by the TE submission date included on cover page of this project document. A management response to the TE recommendations will be posted to the ERC within six weeks of the TE report submission to the GEF.

238. Per the GEF Terminal Evaluation requirements, for cancelled full-sized projects, Terminal Evaluations are required if the GEF grant expenditure exceeds more than US$ 2 million.

Final Report:

239. The project's final GEF PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

Monitoring Plan: The project results, corresponding indicators and mid-term and end-of-project targets in the project results framework will be monitored by the Project Management Unit annually, and will be reported in the GEF PIR every year, and will be evaluated periodically during project implementation. If baseline data for some of the results indicators is not yet available, it will be collected during the first year of project implementation. Project risks, as outlined in the risk register, will be monitored quarterly.

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
Track results progress	**Project objective from the results framework**	**Indicator 1 (GEF-7 CI 3; IRRF Indicator 4.1.2): Area of land restored** (hectares)	Midterm: 200,000 ha identified through management plans, intervention plans, partnership agreements, MoUs, etc. End of project: 200,000 ha undergoing restoration, which includes Sub-indicator 3.1: (50,000 ha) and Sub-indicator 3.2: (150,000 ha)	Restoration-rehabilitation is split between degraded agricultural land (sub-indicator 3.1), which includes interventions on improved productivity, adoption of good agricultural practices. Under sub-indicator 3.2, forest restoration-rehabilitation is focused on establishment of ecological corridors and accelerating ongoing restoration-rehabilitation interventions, advancing progress towards generation of global environmental benefits.	Midterm and end of project	Chief Technical Advisor	Management plans, GIS maps, ground-truthing, financing commitments.
		Indicator 2 (GEF-7 CI 4; IRRF Indicator 4.1.2): Area of landscapes under improved practices (excluding protected areas) (hectares)	Midterm: 2,380,763 ha (excluding protected areas) identified thought mainstreaming the ILM framework in the three key intervention areas, and the estimate of HCV forest loss avoided confirmed	Improved practices across the three key intervention areas through mainstreaming the ILM framework. Also, the GEF funding is expected to contribute towards HCV forest loss avoided, through strengthened stakeholder engagement, enhanced awareness, etc.	Annual	Chief Technical Advisor	Management plans, set-aside agreements, forest cover reports

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
			End of project: 2,380,763 ha (excluding protected areas) which includes: Sub-indicator 4.1: 2,366,763 ha Sub-indicator 4.4: 14,000 ha				
		Indicator 3 (GEF-7 CI 6): Greenhouse Gas Emissions Mitigated (metric tons of CO2e)	Midterm: Estimated end target of 10,740,674 tons CO2e (lifetime direct) confirmed through verification of assumptions, approved restoration plans End of project: 10,740,674 metric tons CO2e (lifetime direct) CO2e avoided in the AFOLU sector (Sub-Indicator 6.1)	The estimations of GHG emissions avoided are based on the proposed areas of restoration-rehabilitation of degraded agricultural land, forest and forest land, as well as HCVF loss avoided. The GHG calculations are presented in **Annex 17** to the project document.	Midterm and end of project	Chief Technical Advisor	EX-ACT estimation, mapping of restoration-rehabilitation areas, forest cover reports
		Indicator 4 (GEF-7 CI 11; IRRF Indicators 4.1.1, 4.2.1): # direct project beneficiaries disaggregated by gender as a co-benefit of GEF investment (individual people)	Midterm: 10,000 direct beneficiaries (of whom 5,000 are women) benefiting from project-supported interventions End of project: 54,000 direct beneficiaries (of whom 27,000 are women)	The FOLUR project is designed to primarily deliver non-monetary benefits, including increased productivity from improved agricultural practices, access to capacity building, protection of traditional knowledge, facilitated access to microcredit, and environmental benefits from ecosystem restoration and rehabilitation. Some of the local people in the project landscape are also expected to have opportunities to gain monetary benefits, e.g., being	Annual	Gender and Safeguards Officer, District-Community Mobilisers	Information summarized in project M&E reports, training records, etc.

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
				directly involved in participatory restoration and rehabilitation interventions.			
	Project Outcome 1	**Indicator 5:** (a) Number of gender-responsive multi-stakeholder ILM platforms established and (b) number of gender-responsive multi-stakeholder ILM platform strengthened	Midterm: Systems leadership training delivered to (a) the ILM platform established for the project and (b) the existing platform for the Kinabatangan-Segama intervention area End of project: (a) One project level ILM platform established, and (b) the platform for the Kinabatangan-Segama intervention area strengthened	The indicator is a measure of mainstreaming multi-stakeholder collaboration mechanisms for enabling ILM.	Midterm and end of project	Chief Technical Advisor	Approved terms of reference, training records
		Indicator 6: Number of state or local government units mainstreaming ILM priority actions into respective planning processes	Midterm: Two state or local government units trained of the process and importance of ILM End of project: Two state or local government units incorporate ILM actions into their planning processes	This indicator is a metric that reflects mainstreaming of the priority actions described in the ILM framework into state and/or local government planning processes	Annual	Chief Technical Advisor	Approved sector plans, local development plans, budgetary frameworks

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
	Project Outcome 2	**Indicator 7:** Number of conservation areas (including OECMs, Community Conserved Areas or privately managed conservation areas) recognised (with encouragement of women participation)	Midterm: Two management plans for conservation areas under preparation (with the encouragement of women participation), in accordance with the roadmap completed under Output 2.1 End of project: Two conservation areas (CCAs, OECMs or privately managed conservation areas) recognised (e.g., management plan in place) (with the encouragement of women participation)	This indicator is a measure of operationalising the roadmap produced under Output 2.1, by recognising conservation areas, such as CCAs, OECMs or privately managed conservation areas.	Annual	Chief Technical Advisor	Approved management plans for conservation areas
		Indicator 8: Number of policy recommendations for incentive mechanisms to support ILM practices formulated and advanced for adoption	Midterm: Two preliminary policy recommendations developed for incentive mechanisms to support ILM practices End of project: Two policy recommendations for incentive mechanisms submitted to relevant agencies (e.g., Ministry of Finance, Department of Lands and Surveys, etc.) for consideration	This indicator is a metric that focuses on the sustainability of the enabling environment for ILM practices. Policy recommendations for incentive mechanisms will be formulated and advanced to relevant agencies for consideration for adoption.	Annual	Chief Technical Advisor	Policy recommendations received by relevant agencies
	Project Outcome 3	**Indicator 9:** Number of Signals of Change, demonstrating strengthened multi-	Midterm: Two new Signals of Change reported in the midterm assessment	The UNDP GCP Signals of Change framework (included in the project Stakeholder Engagement Plan – Annex 7) is	Midterm, end of project	Sustainable Production Officer	Signals of Change assessments

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
		stakeholder collaborative action	End of project: Five new Signals of Change reported in the end-of-project assessment	a qualitative assessment tool for measuring the level of multi-stakeholder collaboration.			
		Indicator 10: (a) Percentage of certified hectarage for MSPO (Revision 1 and 2), and (b) percentage of hectarage achieving RSPO readiness	Midterm: (a1) 100% for MSPO Revision 1; (a2) 50% for MSPO Revision 2; (b) 30% achieving RSPO readiness (this does not mean receiving the certification, but it shows that 26.96% from the baseline is ready because they are already certified) End of project: (a1) 100% for MSPO Revision 1; a2) 100% MSPO Revision 2; (b) 50% achieving RSPO readiness	This indicator reflects the uptake of sustainable oil palm production, as measured by the percentage of certified hectarage for MSPO and achievement of RSPO readiness.	Annual	Sustainable Production Officer	Official MPOB records, M&E reports

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
	Project Outcome 4	**Indicator 11:** Number of new upstream-smallholder memoranda of understanding (MoUs) including engagement plans that include support for smallholder livelihood diversification and containment of oil palm expansion under NDPE policies (gender disaggregated)	Midterm: Ten upstream-smallholder management plans prepared (with five that enhance women's empowerment in agriculture) End of project: Ten upstream-smallholder MoUs agreed (with five that enhance women's empowerment in agriculture)	This indicator provides a metric for measuring increased insertion of smallholders into sustainable supply chains, through MoUs between upstream facilities (e.g., collection points, mills) and smallholder farmers. Half of the MoUs would enhance women's empowerment in agriculture	Annual	Sustainable Production Officer, District-Community Mobilisers	Completed and executed upstream-smallholder management plans and MOUs
	Project Outcome 5	**Indicator 12:** Number of restoration and rehabilitation planning frameworks developed and adopted at the three project key intervention areas	Midterm: Three restoration and rehabilitation planning framework drafted for the project key intervention areas (including pathways for women participation) End of project: Three restoration and rehabilitation planning frameworks adopted for the project key intervention areas (including pathways for women participation)	This indicator is a metric of systematic and inclusive approaches to restoration and rehabilitation.	Annual	Chief Technical Advisor, District-Community Mobilisers, Communications Officer	Planning frameworks
		Indicator 13: An agreement with one or more host/funding entities to operate and maintain an online restoration	Midterm: Online platform established and functioning, with information on project-	This indicator measures the successful establishment and sustainability of an online restoration platform.	Annual	Chief Technical Advisor	Functioning platform, agreement in place with one or more host/funding entities

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
		platform after project closure	funded restoration initiatives uploaded <u>End of project</u>: Agreement in place with one or more host/funding entities to operate and maintain the platform after project closure				
	Project Outcome 6	**Indicator 14:** Number of systems developed or strengthened (gender disaggregated), including: (a) knowledge products, (b) communication pieces/stories (c) written and/or audio-visual records of traditional knowledge practices	<u>Midterm</u>: (a) Five knowledge products two highlighting gender mainstreaming), (b) ten communication pieces/stories (i.e., EXPOSURE stories and PANORAMA solutions), (c) two written and/or audio-visual records of traditional knowledge practices <u>End of project</u>: (a) Ten knowledge products (four highlighting gender mainstreaming), (b) twenty communication pieces/stories (i.e., EXPOSURE stories and PANORAMA solutions), (c) four written and/or audio-visual records of traditional knowledge practices	This indicator is a measure of how effective knowledge generated on the project is recorded and disseminated.	Annual	Communications Officer	Printed knowledge products, documents, online stories, audio-visual products, etc.
		Indicator 15: Number of (a) country documents, (b) events, and (c) press promoting FOLUR	<u>Midterm</u>: (a) Two country documents, (b) four events, (c) two press reports	This indicator is a measure of how effective information from FOLUR Community of Practice events is disseminated through press	Annual	Communications Officer	Press reports, media reports, newsletters, online posts, etc.

Monitoring Activity							
	Results Monitoring	**Indicators**	**Targets**	**Description of indicators and targets**	**Frequency**	**Responsible for data collection**	**Means of verification**
			End of project: (a) Two country documents, (b) ten events, (c) ten press reports	reports, media stories, online posts, etc.			

Monitoring Activity		
	Frequency/Timeframe	**Expected Action**
Inception Workshop and Report	Inception Workshop within 2 months of the First Disbursement	As per above description
Track results progress (see above table for details)	Annually and at mid-point and closure	Slower than expected progress will be addressed by project management.
Monitor and Manage Risk	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.
Monitor (SESP, ESMF/ESMP, Indigenous Peoples Plan, Stakeholder Engagement Plan, Gender Action Plan, Climate and Disaster Risk Screening, COVID-19 Action Framework)	ongoing	
Supervision Missions	Annually	
Learning and Learning Missions	As needed	Relevant lessons are captured by the project team and used to inform management decisions.
Annual Project Quality Assurance	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.
Review and Make Course Corrections	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.
Annual GEF Project Implementation Report (PIR)	Annually typically between June-September	Mandatory contribution by Project Team, CO and RTA. Strengths and weaknesses will be reviewed by project management and used to inform decisions to improve project performance
Project Review (Project Board)	At least annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.

Evaluation Plan

Evaluation Title	Related Strategic Plan Output	UNSDCF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders
Independent Mid-Term Review (MTR)	**UNDP Strategic Plan (2022-2025)** Output Signature Solution #4 (Environment); contributing to UNDP SP Result 4.1: Natural resources protected and managed to enhance sustainable productivity and livelihoods; and	**United Nations Strategic Cooperation Framework Malaysia 2021-2025** Outcome 2: By 2025, environmental sustainability and resilience are	By the MTR submission date included on cover page of Project Document	*UNDP, Sabah Forestry Department*

	Result 4.2: Public and private investment mechanisms mobilized for biodiversity, water, oceans, and climate solutions.	mainstreamed as priorities within the national development agenda, across all sectors and levels of society; Output 2.2: Natural resources, biodiversity and ecosystems are sustainably managed, adequately protected and conserved for long-term economic and environmental sustainability.		
Independent Terminal Evaluation (TE)	**UNDP Strategic Plan (2022-2025)** Output Signature Solution #4 (Environment); contributing to UNDP SP Result 4.1: Natural resources protected and managed to enhance sustainable productivity and livelihoods; and Result 4.2: Public and private investment mechanisms mobilized for biodiversity, water, oceans, and climate solutions.	**United Nations Strategic Cooperation Framework Malaysia 2021-2025** Outcome 2: By 2025, environmental sustainability and resilience are mainstreamed as priorities within the national development agenda, across all sectors and levels of society; Output 2.2: Natural resources, biodiversity and ecosystems are sustainably managed, adequately protected and conserved for long-term economic and environmental sustainability.	By the TE submission date included on cover page of Project Document	*UNDP, Sabah Forestry Department*

240. The project monitoring and evaluation budget are outlined below in .

Table 14: Monitoring and evaluation budget for project execution

GEF M&E requirements to be undertaken by Project Management Unit (PMU)	Indicative costs (US$)
Inception Workshop and Report	$19,416
M&E required to report on progress made in reaching GEF core indicators and project results included in the project results framework	$19,692
Preparation of the annual GEF Project Implementation Report (PIR)	$9,070
Monitoring of SESP, ESMF/ESMP, Indigenous Peoples Plan, Stakeholder Engagement Plan, Gender Action Plan, Climate and Disaster Risk Screening, COVID-19 Action Framework	$63,684
Supervision missions	$5,000
Independent Mid-term Review (MTR): costs associated with conducting the independent review/evaluation to be commissioned by UNDP not the Implementing Partner or PMU.	$46,000
Independent Terminal Evaluation (TE): costs associated with conducting the independent evaluation to be commissioned by UNDP not the Implementing Partner or the PMU.	$46,000
TOTAL indicative COST	**$208,862**

VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Section 1: General roles and responsibilities in the project's governance mechanism

241. Implementing Partner: The Implementing Partner for this project is the **Sabah Forestry Department**. The overall risk assessment conducted in the Partner Capacity Assessment Tool and the HACT assessment (**Annex 21**) concluded a Low risk for this IP.

242. The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of GEF resources and the delivery of outputs, as set forth in this document.

243. The Implementing Partner is responsible for executing this project. Specific tasks include:

- Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.
- Overseeing the management of project risks as included in this project document and new risks that may emerge during project implementation.
- Procurement of goods and services, including human resources.
- Financial management, including overseeing financial expenditures against project budgets.
- Approving and signing the multiyear workplan.
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

244. Project stakeholders and target groups: The project will work with existing multi-stakeholder partnership mechanisms and establish new partnerships where necessary to ensure project target groups are involved in the design, implementation, and monitoring & evaluation of the activities in their communities. Direct beneficiaries (or target groups) are primarily the local communities in the project landscape, including the smallholder farmers and middle-size growers, and people involved in and benefitting from the project interventions and capacity building activities.

245. UNDP: UNDP is accountable to the GEF for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP and GEF policies and procedures and the standards and provisions outlined in the Delegation of Authority (DOA) letter for this project. **The UNDP GEF Executive Coordinator, in consultation with UNDP Bureaus and the Implementing Partner, retains the right to revoke the project DOA, suspend or cancel this GEF project.** UNDP is responsible for the Project Assurance function in the project governance structure and presents to the Project Board and attends Project Board meetings as a non-voting member.

246. A firewall will be maintained between the delivery of project oversight and quality assurance performed by UNDP and charged to the GEF Fee and any support to project execution performed by UNDP (as requested by and agreed to by both the Implementing Partner and GEF) and may be charged to the GEF project management costs (only if approved by GEF). The segregation of functions and firewall provisions for UNDP in this case is described in the next section.

Section 2: Project governance structure

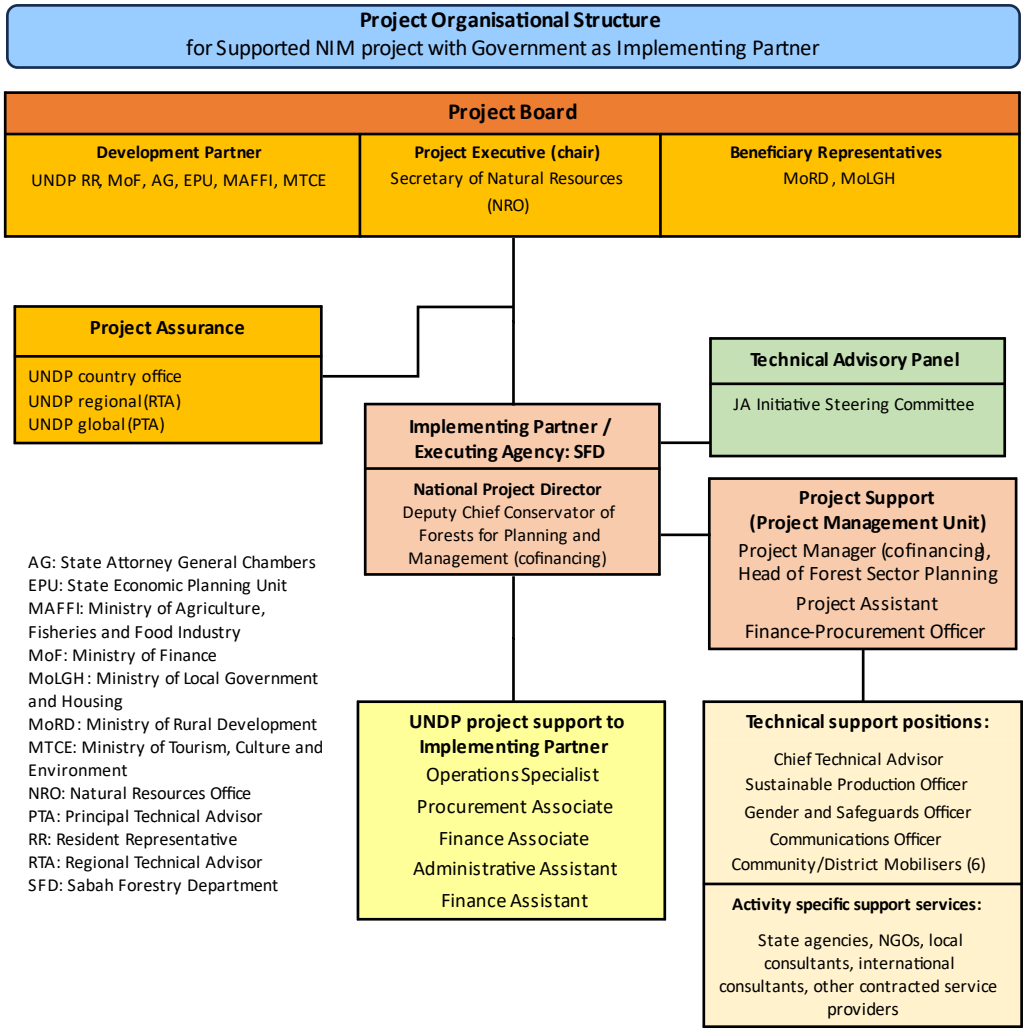


Figure 13: Project organisational structure

247. **First line of defense:**

- Person providing oversight of execution support (COS) cannot report to UNDP staff providing project assurance or providing programmatic oversight support to the RR.

248. **Second line of defense**:

- Regional Bureau oversees RR and Country Office compliance at portfolio level.
- BPPS NCE RTA oversees technical quality assurance and GEF compliance. BPPS NCE PTA oversees RTA function.
- UNDP GEF Executive Coordinator and Regional Bureau Deputy Director can revoke DOA/cancel/suspend project or provided enhanced oversight.

249. The UNDP Resident Representative assumes full responsibility and accountability for oversight and quality assurance of this Project and ensures its timely implementation in compliance with the GEF-specific requirements and UNDP's Programme and Operations Policies and Procedures (POPP), its Financial Regulations and Rules and Internal Control Framework. A representative of the UNDP Country Office will assume the assurance role and will present assurance findings to the Project Board, and therefore attends Project Board meetings as a non-voting member.

250. **UNDP project support***:* The Implementing Partner and GEF OFP have requested UNDP to provide support services in the amount of *USD$ 16,008* for the full duration of the project, and the GEF has agreed for UNDP to provide such execution support services and for the cost of these services to be charged to the project budget. The execution support services have been set out in detail and agreed between UNDP Country Office and the Implementing Partner in a Letter of Agreement (LOA). This LOA is attached to this Project Document.

251. To ensure the strict independence required by the GEF and in accordance with the UNDP Internal Control Framework, these execution services will be delivered independent from the GEF-specific oversight and quality assurance services.

Section 3: Segregation of duties and firewalls vis-á-vis UNDP representation on the Project Board

252. As noted in the Minimum Fiduciary Standards for GEF Partner Agencies, in cases where a GEF Partner Agency (i.e. UNDP) carries out both implementation oversight and execution of a project, the GEF Partner Agency (i.e. UNDP) must separate its project implementation oversight and execution duties, and describe in the relevant project document a: 1) Satisfactory institutional arrangement for the separation of implementation oversight and executing functions in different departments of the GEF Partner Agency; and 2) Clear lines of responsibility, reporting and accountability within the GEF Partner Agency between the project implementation oversight and execution functions.

253. In this case, UNDP's implementation oversight role in the project – as represented in the project board and via the project assurance function – is performed by UNDP CO RR/DRR. UNDP's execution role in the project (as requested by the implementing partner and approved by the GEF) is performed by UNDP CO Operations Specialist, Procurement and Finance Associates, and Administrative and Finance Assistants.

Section 4: Roles and responsibilities of the project organization structure

Project Board:

254. All UNDP projects must be governed by a multi-stakeholder board or committee established to review performance based on monitoring and evaluation, and implementation issues to ensure quality delivery of results. The Project Board (also called the Project Steering Committee) is the most senior, dedicated oversight body for a project.

255. The two main (mandatory) roles of the Project Board are as follows:

1) **High-level oversight of the execution of the project by the Implementing Partner** (as explained in the "Provide Oversight" section of the POPP). This is the primary function of the project board and includes annual (and as-needed) assessments of any major risks to the project, and decisions/agreements on any management actions or remedial measures to address them effectively. The Project Board reviews evidence of project performance based on monitoring, evaluation and reporting, including progress reports, evaluations, risk logs and the combined delivery report. The Project Board is responsible for taking corrective action as needed to ensure the project achieves the desired results.
2) **Approval of strategic project execution decisions of the Implementing Partner** with a view to assess and manage risks, monitor and ensure the overall achievement of projected results and impacts and ensure long term sustainability of project execution decisions of the Implementing Partner (as explained in the "Manage Change" section of the POPP).

256. Requirements to serve on the Project Board:

- ✓ Agree to the Terms of Reference of the Board and the rules on protocols, quorum and minuting.
- ✓ Meet annually; at least once.
- ✓ Disclose any conflict of interest in performing the functions of a Project Board member and take all measures to avoid any real or perceived conflicts of interest. This disclosure must be documented and kept on record by UNDP.
- ✓ Discharge the functions of the Project Board in accordance with UNDP policies and procedures.

- ✓ Ensure highest levels of transparency and ensure Project Board meeting minutes are recorded and shared with project stakeholders.

257. Responsibilities of the Project Board:

- ✓ Consensus decision making:
  - The Project Board provides overall guidance and direction to the project, ensuring it remains within any specified constraints, and providing overall oversight of the project implementation.
  - Review project performance based on monitoring, evaluation and reporting, including progress reports, risk logs and the combined delivery report;
  - The Project Board is responsible for making management decisions by consensus.
  - In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.
  - In case consensus cannot be reached within the Project Board, the UNDP representative on the Project Board will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.
- ✓ Oversee project execution:
  - Agree on project manager's tolerances as required, within the parameters outlined in the project document, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded.
  - Appraise annual work plans prepared by the Implementing Partner for the Project; review combined delivery reports prior to certification by the implementing partner.
  - Address any high-level project issues as raised by the project manager and project assurance;
  - Advise on major and minor amendments to the project within the parameters set by UNDP and the donor and refer such proposed major and minor amendments to the UNDP BPPS Nature, Climate and Energy Executive Coordinator (and the GEF, as required by GEF policies);
  - Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily and according to plans.
  - Track and monitor co-financed activities and realisation of co-financing amounts of this project.
  - Approve the Inception Report, GEF annual project implementation reports, mid-term review and terminal evaluation reports.
  - Ensure commitment of human resources to support project implementation, arbitrating any issues within the project.
- ✓ Risk Management:
  - Provide guidance on evolving or materialized project risks and agree on possible mitigation and management actions to address specific risks.
  - Review and update the project risk register and associated management plans based on the information prepared by the Implementing Partner. This includes risks related that can be directly managed by this project, as well as contextual risks that may affect project delivery or continued UNDP compliance and reputation but are outside of the control of the project. For example, social and environmental risks associated with co-financed activities or activities taking place in the project's area of influence that have implications for the project.
  - Address project-level grievances.
- ✓ Coordination:
  - Ensure coordination between various donor and government-funded projects and programmes.
  - Ensure coordination with various government agencies and their participation in project activities.

258. **Composition of the Project Board**: The composition of the Project Board must include individuals assigned to the following three roles:

1. **Project Executive:** This is an individual who represents ownership of the project and chairs (or co-chairs) the Project Board. The Executive usually is the senior national counterpart for nationally implemented projects (typically from the same entity as the Implementing Partner), and it must be UNDP for projects that are direct implementation (DIM). In exceptional cases, two individuals from different entities can co-share this role and/or co-chair the Project Board. If the project executive co-chairs the project board with representatives of another category, it typically does so with a development partner representative. The Project Executive is the Secretary of Natural Resources of the Natural Resources Office (NRO).
2. **Beneficiary Representatives**: Individuals or groups representing the interests of those groups of stakeholders who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often representatives from civil society, industry associations, or other government entities benefiting from the project can fulfil this role. There can be multiple beneficiary representatives in a Project Board. The Beneficiary representatives are:
    i. Ministry of Rural Development (MoRD)
    ii. Ministry of Local Government and Housing (MoLGH)
3. **Development Partners:** Individuals or groups representing the interests of the parties concerned that provide funding, strategic guidance and/or technical expertise to the project. The Development Partners are:
    i. Resident Representative, United Nations Development Programme (UNDP) Country Office in Malaysia, Singapore and Brunei Darussalam
    ii. Ministry of Finance (MoF)
    iii. State Attorney General Chambers (AG)
    iv. State Economic Planning Unit (EPU)
    v. Ministry of Agriculture, Fisheries and Food Industry (MAFFI)
    vi. Ministry of Tourism, Culture and Environment (MTCE)

b) Project Assurance:

259. Project assurance is the responsibility of each project board member; however, UNDP has a distinct assurance role for all UNDP projects in carrying out objective and independent project oversight and monitoring functions. UNDP performs quality assurance and supports the Project Board (and Project Management Unit) by carrying out objective and independent project oversight and monitoring functions, including compliance with the risk management and social and environmental standards of UNDP. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. Project assurance is totally independent of project execution.

260. A designated representative of UNDP playing the project assurance role is expected to attend all board meetings and support board processes as a non-voting representative. It should be noted that while in certain cases UNDP's project assurance role across the project may encompass activities happening at several levels (e.g. global, regional), at least one UNDP representative playing that function must, as part of their duties, specifically attend board meeting and provide board members with the required documentation required to perform their duties. The UNDP representative playing the main project assurance function is the Environmental Focal Point, UNDP Country Office in Malaysia, Singapore and Brunei Darussalam.

c) Project Management – Execution of the project:

261. The Project Manager (PM) is the senior most representative of the Project Management Unit (PMU) and is responsible for the overall day-to-day management of the project on behalf of the Implementing Partner, including the mobilization of all project inputs, supervision over project staff, responsible parties, consultants and sub-contractors. The Project Manager typically presents key deliverables and documents to the board for their review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk registers.

262. The PMU will provide tracking data on co-financing, which will be quality assured by the UNDP country office, as part of its oversight function and reported during Project Board meetings as part of the annual

reporting. All partners will participate in annual planning meetings where co-financers, including from the government and non-government, will confirm their co-financing. The PMU will be responsible forproviding detailed figures and monitoring the realization of the co-financing commitment, which will be documented in annual reports. The PIRs, MTR, and TE, will be used by UNDP CO, PMU and IP to verify and report back on co-financing mobilized during implementation. The data will be updated annually in the PIRs.

263. Roles and responsibilities of the PMU members are detailed in the **Annex 6**. A designated representative of the PMU is expected to attend all board meetings and support board processes as a non-voting representative.

264. The primary PMU representative attending board meetings is the Project Manager.

VIII. FINANCIAL PLANNING AND MANAGEMENT

265. The total cost of the project is USD 72,481,951. This is financed through a GEF grant of USD 7,368,807. administered by UNDP, and additional support of USD 65,113,144. UNDP, as the GEF Implementing Agency, is responsible for the oversight of the GEF resources and the cash co-financing transferred to UNDP bank account only.

266. **Confirmed Co-financing**: The actual realization of project co-financing amounts will be monitored by the UNDP Country Office and the PMU on an annual basis in the GEF PIF and will be reported to the GEF during the mid-term review and terminal evaluation process as follows.

Co-financing source	Co-financing type	Name of Co-financier	Investment Mobilized	Co-financing amount
Recipient Government	Public investment	Sabah State Government	Investment mobilized	USD 54,062,000
CSO	Grant	WWF	Investment mobilized	USD7,000,000
CSO	Grant	Wild Asia	Investment mobilized	USD 1,000,000
Others	Grant	IDH	Investment mobilized	USD 2,051,144
GEF Agency	Grant	UNDP	Investment mobilized	USD 1,000,000

267. **Budget Revision and Tolerance**: As per UNDP POPP, the project board may agree with the project manager on a tolerance level for each detailed plan under the overall multi-year workplan. The agreed tolerance should be written in the project document or approved project board meeting minutes. It should normally not exceed 10 percent of the agreed annual budget at the activity level, but within the overall approved multi-year workplan at the activity level. Within the agreed tolerances, the project manager can operate without intervention from the project board. Restrictions apply as follows.

268. Should the following deviations occur, the Project Manager/IP through UNDP Country Office will seek the approval of the BPPS/NCE-VF team to ensure accurate reporting to the GEF. It is **strongly encouraged** to maintain the expenditures within the approved budget at the budgetary account and at the component level:

a) Budget reallocations must prove that the suggested changes in the budget will not lead to material changes in the results to be achieved by the project. A strong justification is required and will be approved on an exceptional basis. Budget re-allocations among the components (including PMC) of the approved Total Budget and Work Plans (TBWP) that represent a value greater than 10% of the total GEF grant.

b) Introduction of new outputs/activities (i.e. budget items) that were not part of the agreed project document and TBWP that represent a value greater than 5% of the total GEF grant. The new budget items must be eligible as per the GEF and UNDP policies.

c) Project management cost (PMC): budget under PMC component is capped and cannot be increased.

269. UNDP is not in a position to increase the total budget above the amount approved by the donor, therefore any over-expenditure would have to be absorbed from non-GEF resources by the Implementing Partner (GEF Executing Entity).

270. **Project extensions:** The UNDP Resident Representative and the UNDP-GEF Executive Coordinator must approve all project extension requests. Note that all extensions incur costs and the GEF project budget cannot be increased. A single extension may be granted on an exceptional basis and subject to the conditions and maximum durations set out in the UNDP POPP. The project management costs during the extension period must remain within the originally approved amount, and any increase in PMC costs will be covered by non-GEF resources; the additional UNDP oversight costs during the extension period must be covered by non-GEF resources, in accordance with UNDP's guidance set out in UNDP POPP.

271. For any extension request, UNDP CO and IP will consult and jointly present a clear plan indicating how and from which specific sources the additional oversight costs that will be incurred by UNDP will be covered during the extended period. The BPPS-NCE Executive Coordinator will consult the Regional Bureaux (RBX) and may reject the extension request if no (external co-financing by the IP or internal UNDP CO resources) can be identified.

272. All extension requests, along with all supporting documentation, shall be submitted by the IP to the UNDP CO in line with the requirements and within the deadlines set out in the UNDP SOPs and policies in UNDP POPP.

273. **Audit:** The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies. Audit cycle and process must be discussed during the Inception workshop. If the Implementing Partner is an UN Agency, the project will be audited according to that Agencies applicable audit policies.

274. **Transfer or disposal of assets**: In consultation with the Implementing Partner and other parties of the project, UNDP is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal of assets is recommended to be reviewed and endorsed by the project board following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project, however **must be done before the operational closure date**. In all cases of transfer, a transfer document must be prepared and kept on file[1]. The transfer should be done before Project Management Unit complete their assignments.
[1] See https://popp.undp.org/ https://popp-prod.acquia.undp.org/policy-page/close-and-transition.

275. **Completion Date:** The project completion date is the date of Project Document Signature plus project duration. This date can only be extended through a formal extension request. Prior to completion date, all UNDP-financed inputs must be provided and related activities for the Project completed. No activities, except for the final clearance of the Terminal Evaluation Report and the corresponding management response and the end-of-project review Project Board Meeting should take place after the Completion Date.

276. **Project Closure**: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP. All costs incurred to close the project must be included in the project closure budget and reported as final project commitments presented to the Project Board during the final project review. The only costs a project may incur following the final project review are those included in the project closure budget.

277. **Operational Closure**: **Operational closure must happen within 9 months from project completion date.** Prior to operational closure, the Terminal Evaluation must have been submitted and the corresponding TE management response and the end-of-project review Project Board meeting must have been completed. The Implementing Partner through a Project Board decision will notify the UNDP Country Office when operational closure has been completed. Before Operational Closure, the project must have completed the transfer or disposal of any equipment that is still the property of UNDP.

278. **Financial Closure: Financial closure must happen within 6 months of operational closure or after the date of cancellation.** The project will be financially closed when the following conditions have been met: a) the project is operationally completed or has been cancelled; b) the Implementing Partner has reported all financial

transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP and the Implementing Partner have certified a final Combined Delivery Report (which serves as final budget revision).

279. Between operational and financial closure, the implementing partner will identify and settle all financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to BPPS/NCE for confirmation before the project will be financially closed in Quantum by the UNDP Country Office.

280. **Cancellation and Suspension:** All projects considering going through cancellation or suspension must follow UNDP and GEF requirements. Guidance can be found in the UNDP POPP (SOPs for management actions of Vertical Fund projects escalated to the Executive Coordinator and Guidance for GEF project revisions).

281. **Refund to GEF**: Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the BPPS/NCE-VF Directorate in New York. No action is required by the UNDP Country Office on the actual refund from UNDP project to the GEF. Unspent project balance is not permitted to be transferred to any other projects.

IX. TOTAL BUDGET AND WORK PLAN

Total Budget and Work Plan			
Quantum Business Unit	UNDP-MYS		
Quantum Project ID:	01001625	Quantum Project Title:	Integrated landscape management for sustainable food systems, land use and restoration in Sabah
Quantum Award ID:	1261909	Quantum Award Title:	Integrated landscape management for sustainable food systems, land use and restoration in Sabah
UNDP-GEF PIMS No.	6382		
Implementing Partner	Sabah Forestry Department		

Quantum Outcome (GEF Component)	Quantum Output (GEF Outcome)	Quantum Activity (GEF Output)	Quantum Responsible Party (UNDP, IP, or Responsible Party)	Quantum Fund ID	Quantum Donor ID	Quantum Budgetary Account Code	Quantum Budget Account Description	Amount Year 2024 (USD)	Amount Year 2025 (USD)	Amount Year 2026 (USD)	Amount Year 2027 (USD)	Amount Year 2028 (USD)	Amount Year 2029 (USD)	Amount Year 2030 (USD)	Total (USD)	See Budget Note: *(reference as number, not as letter)*
Component 1: Development of integrated landscape management systems	**Outcome 1:** Intra-governmental coordination and multi-stakeholder collaboration enabled for effective landscape management, as indicated by: - (a) One project level ILM platform established, and (b) the platform for the Kinabatangan-Segama intervention area strengthened; - Two state or local government units incorporate ILM actions into their planning processes.	**Output 1.1:** Enabling environment for integrated, multi-stakeholder collaborative approaches strengthened by introducing systems leadership skills and developing guidelines for integrated landscape management, in accordance with UNDP Social and Environmental Standards (SES)	UNDP	62000	10003	71200	International Consultants	3,000	15,000	6,000	0	0	0	0	**24,000**	1
						71600	Travel	0	5,000	5,000	0	0	0	0	**10,000**	3
						72100	Contractual Services - Companies	12,500	62,500	25,000	0	0	0	0	**100,000**	5
			Total Responsible Party A					15,500	82,500	36,000	0	0	0	0	**134,000**	
			SFD	62000	10003	71300	Local Consultants	0	24,000	24,000	0	0	0	0	**48,000**	2
						71600	Travel	0	17,500	17,500	0	0	0	0	**35,000**	3
						71800	Contractual Services – Impl. Partner	1,000	12,075	13,310	13,455	14,163	14,979	3,105	**72,087**	4
						74200	Audio Visual & Print Prod Costs	0	2,598	2,598	0	0	0	0	**5,196**	7
						75700	Training, Workshops and Confer	0	9,500	9,500	0	0	0	0	**19,000**	8
			Total Responsible Party B					1,000	65,673	66,908	13,455	14,163	14,979	3,105	**179,283**	
		Total Output 1.1						**16,500**	**148,173**	**102,908**	**13,455**	**14,163**	**14,979**	**3,105**	**313,283**	
		Output 1.2: Data-sharing platforms and protocols harmonized in support of integrated landscape management	UNDP	62000	10003	72100	Contractual Services - Companies	0	25,000	25,000	0	0	0	0	**50,000**	5
			Total Responsible Party A					0	25,000	25,000	0	0	0	0	**50,000**	
			SFD	62000	10003	71600	Travel	0	1,500	1,500	0	0	0	0	**3,000**	3
						71800	Contractual Services – Impl. Partner	800	5,250	5,830	5,865	6,177	6,531	2,160	**32,613**	4
						72800	Information Technology Equipment	0	11,034	11,034	0	0	0	0	**22,068**	6
						75700	Training, Workshops and Confer	0	1,000	1,000	0	0	0	0	**2,000**	8
			Total Responsible Party B					800	18,784	19,364	5,865	6,177	6,531	2,160	**59,681**	
		Total Output 1.2						**800**	**43,784**	**44,364**	**5,865**	**6,177**	**6,531**	**2,160**	**109,681**	
		Output 1.3: Integrated landscape	UNDP	62000	10003	71200	International Consultants	0	4,800	4,800	2,400	0	0	0	**12,000**	1

		management framework developed and mainstreamed through multi-stakeholder collaboration				71600	Travel	0	600	600	600	600	600	0	**3,000**	3
						72100	Contractual Services - Companies	0	35,000	38,750	33,750	18,750	18,750	0	**145,000**	5
			Total Responsible Party A					0	40,400	44,150	36,750	19,350	19,350	0	**160,000**	
			SFD	62000	10003	71300	Local Consultants	0	3,600	3,600	3,600	3,600	3,600	0	**18,000**	2
						71600	Travel	0	2,800	2,800	2,800	2,800	2,800	0	**14,000**	3
						71800	Contractual Services – Impl. Partner	1,800	21,420	23,100	23,460	24,696	26,118	4,860	**125,454**	4
						74200	Audio Visual & Print Prod Costs	0	2,000	4,000	2,000	2,000	0	0	**10,000**	7
						75700	Training, Workshops and Confer	0	4,100	4,100	1,600	1,600	1,600	0	**13,000**	8
			Total Responsible Party B					1,800	33,920	37,600	33,460	34,696	34,118	4,860	**180,454**	
		Total Output 1.3						**1,800**	**74,320**	**81,750**	**70,210**	**54,046**	**53,468**	**4,860**	**340,454**	
Total Outcome 1								**19,100**	**266,277**	**229,022**	**89,530**	**74,386**	**74,978**	**10,125**	**763,418**	
	Outcome 2: Emerging approaches and incentive mechanisms leading towards effectively managed high conservation value areas socialised, as indicated by: - Two conservation areas (CCAs, OECMs or privately managed conservation areas) recognised (e.g., management plan in place) (with the encouragement of women participation); - Two policy	**Output 2.1:** Roadmap for recognising and strengthening the management of conservation areas (including OECMs) in production landscapes and local community sites in Sabah developed and socialised	UNDP	62000	10003	72100	Contractual Services - Companies	0	20,000	17,500	17,500	17,500	7,500	0	**80,000**	5
			Total Responsible Party A					0	20,000	17,500	17,500	17,500	7,500	0	**80,000**	
			SFD	62000	10003	71600	Travel	0	1,200	600	600	600	0	0	**3,000**	3
						71800	Contractual Services – Impl. Partner	700	4,830	5,390	5,520	5,814	6,147	1,890	**30,291**	4
						74200	Audio Visual & Print Prod Costs	0	0	2,500	2,500	0	0	0	**5,000**	7
						75700	Training, Workshops and Confer	0	0	7,500	7,500	7,500	7,500	0	**30,000**	8
			Total Responsible Party B					700	6,030	15,990	16,120	13,914	13,647	1,890	**68,291**	
		Total Output 2.1						**700**	**26,030**	**33,490**	**33,620**	**31,414**	**21,147**	**1,890**	**148,291**	
		Output 2.2: Fiscal and economic instruments explored, and recommendatio	UNDP	62000	10003	72100	Contractual Services - Companies	0	12,500	12,500	12,500	12,500	0	0	**50,000**	5
			Total Responsible Party A					0	12,500	12,500	12,500	12,500	0	0	**50,000**	
			SFD	62000	10003	71600	Travel	0	750	750	750	750	0	0	**3,000**	3

	recommendations for incentive mechanisms submitted to relevant agencies (e.g., Ministry of Finance, Department of Lands and Surveys, etc.) for consideration.	ns formulated for facilitating ILM finance with a focus on incentivizing effective management of HCV forests in conservation areas across production landscapes and community sites				71800	Contractual Services – Impl. Partner	700	4,830	5,390	5,520	5,814	6,147	1,890	**30,291**	4
						74200	Audio Visual & Print Prod Costs	0	0	1,500	1,500	0	0	0	**3,000**	7
						75700	Training, Workshops and Confer	0	500	500	500	500	0	0	**2,000**	8
			Total Responsible Party B					700	6,080	8,140	8,270	7,064	6,147	1,890	**38,291**	
		Total Output 2.2						**700**	**18,580**	**20,640**	**20,770**	**19,564**	**6,147**	**1,890**	**88,291**	
	Total Outcome 2							**1,400**	**44,610**	**54,130**	**54,390**	**50,978**	**27,294**	**3,780**	**236,582**	
Component 2: Promotion of responsible value chains for palm oil and smallholder and medium-sized growers support	**Outcome 3:** Value chains for sustainable palm oil strengthened through multi-stakeholder collaboration, as indicated by: - Five new Signals of Change reported in the end-of-project assessment; - (a2) 100% MSPO Revision 2; (b) 50% achieving RSPO readiness.	**Output 3.1:** Multi-stakeholder collaboration processes strengthened	UNDP	62000	10003	71200	International Consultants	0	7,200	7,200	7,200	7,200	7,200	0	**36,000**	9
						71600	Travel	0	3,000	3,000	3,000	3,000	3,000	0	**15,000**	11
						72100	Contractual Services - Companies	0	40,000	40,000	40,000	40,000	20,000	20,000	**200,000**	13
			Total Responsible Party A					0	50,200	50,200	50,200	50,200	30,200	20,000	**251,000**	
			SFD	62000	10003	71300	Local Consultants	0	15,600	15,600	30,600	15,600	15,600	0	**93,000**	10
						71600	Travel	0	3,000	3,000	3,000	3,000	3,000	0	**15,000**	11
						71800	Contractual Services – Impl. Partner	2,400	28,035	31,130	31,855	33,535	35,465	7,425	**169,845**	12
						74200	Audio Visual & Print Prod Costs	0	5,000	5,000	5,000	5,000	5,000	0	**25,000**	16
						75700	Training, Workshops and Confer	0	7,000	7,000	7,000	7,000	7,000	0	**35,000**	17
			Total Responsible Party B					2,400	58,635	61,730	77,455	64,135	66,065	7,425	**337,845**	
		Total Output 3.1						**2,400**	**108,835**	**111,930**	**127,655**	**114,335**	**96,265**	**27,425**	**588,845**	
		Output 3.2: Strengthened linkages and collaboration through the value chain	UNDP	62000	10003	71200	International Consultants	0	7,200	7,200	7,200	7,200	7,200	0	**36,000**	9
			Total Responsible Party A					0	7,200	7,200	7,200	7,200	7,200	0	**36,000**	
			SFD	62000	10003	71300	Local Consultants	0	14,400	14,400	14,400	14,400	14,400	0	**72,000**	10
						71600	Travel	0	4,000	4,000	4,000	4,000	4,000	0	**20,000**	11
						71800	Contractual Services – Impl. Partner	2,200	16,485	18,810	19,205	20,225	21,385	6,615	**104,925**	12

						75700	Training, Workshops and Confer	0	5,000	5,000	5,000	5,000	5,000	0	**25,000**	17
		Total Responsible Party B						2,200	39,885	42,210	42,605	43,625	44,785	6,615	**221,925**	
		Total Output 3.2						**2,200**	**47,085**	**49,410**	**49,805**	**50,825**	**51,985**	**6,615**	**257,925**	
		Output 3.3: Traceability of oil palm in Sabah strengthened to facilitate responsible sourcing	UNDP	62000	10003	72100	Contractual Services - Companies	0	12,500	12,500	12,500	12,500	0	0	**50,000**	13
			Total Responsible Party A					0	12,500	12,500	12,500	12,500	0	0	**50,000**	
			SFD	62000	10003	71600	Travel	0	2,500	2,500	2,500	2,500	0	0	**10,000**	11
						71800	Contractual Services – Impl. Partner	1,600	13,650	15,180	15,410	16,226	17,158	4,590	**83,814**	12
						74200	Audio Visual & Print Prod Costs	0	0	2,500	2,500	0	0	0	**5,000**	16
						75700	Training, Workshops and Confer	0	1,250	1,250	1,250	1,250	0	0	**5,000**	17
			Total Responsible Party B					1,600	17,400	21,430	21,660	19,976	17,158	4,590	**103,814**	
		Total Output 3.3						**1,600**	**29,900**	**33,930**	**34,160**	**32,476**	**17,158**	**4,590**	**153,814**	
		Output 3.4: Open innovation challenge introduced to identify solutions that can be scaled to address key sustainability issues in the palm oil sector	UNDP	62000	10003	71200	International Consultants	0	15,000	15,000	0	0	0	0	**30,000**	9
						72100	Contractual Services - Companies	0	8,000	8,000	8,000	8,000	8,000	0	**40,000**	13
			Total Responsible Party A					0	23,000	23,000	8,000	8,000	8,000	0	**70,000**	
			SFD	62000	10003	71300	Local Consultants	0	18,000	18,000	0	0	0	0	**36,000**	10
						71600	Travel	0	3,000	3,000	3,000	3,000	3,000	0	**15,000**	11
						71800	Contractual Services – Impl. Partner	1,600	11,760	13,420	13,570	14,290	15,110	4,860	**74,610**	12
						72600	Grants	0	60,000	60,000	60,000	60,000	60,000	0	**300,000**	14
						74200	Audio Visual & Print Prod Costs	0	2,000	2,000	2,000	2,000	2,000	0	**10,000**	16
						75700	Training, Workshops and Confer	0	2,000	2,000	2,000	2,000	2,000	0	**10,000**	17
			Total Responsible Party B					1,600	96,760	98,420	80,570	81,290	82,110	4,860	**445,610**	
		Total Output 3.4						**1,600**	**119,760**	**121,420**	**88,570**	**89,290**	**90,110**	**4,860**	**515,610**	

Total Outcome 3							**7,800**	**305,580**	**316,690**	**300,190**	**286,926**	**255,518**	**43,490**	**1,516,194**	
Outcome 4: Smallholder and medium-sized growers support systems strengthened for participation in sustainable farming and commodity supply chains, as indicated by: - Ten upstream-smallholder MoUs agreed (with five that enhance women's empowerment in agriculture) women's empowerment in agriculture).	**Output 4.1:** Capacity building delivered, and durable systems put in place to support smallholder farmers and medium-sized growers on the promotion of and increased uptake of sustainable production practices and farming systems	UNDP	62000	10003	71200	International Consultants	0	18,000	18,000	0	0	0	0	**36,000**	9
					72100	Contractual Services - Companies	0	20,000	20,000	20,000	20,000	20,000	0	**100,000**	13
		Total Responsible Party A					0	38,000	38,000	20,000	20,000	20,000	0	**136,000**	
		SFD	62000	10003	71300	Local Consultants	0	6,000	6,000	6,000	6,000	0	0	**24,000**	10
					71600	Travel	0	4,000	4,000	4,000	4,000	4,000	0	**20,000**	11
					71800	Contractual Services – Impl. Partner	2,800	24,360	26,840	27,600	29,064	30,732	7,560	**148,956**	12
					72800	Information Technology Equipment	0	20,000	0	0	0	0	0	**20,000**	15
					74200	Audio Visual & Print Prod Costs	0	0	5,000	5,000	0	0	0	**10,000**	16
					75700	Training, Workshops and Confer	0	6,000	6,000	6,000	6,000	6,000	0	**30,000**	17
		Total Responsible Party B					2,800	60,360	47,840	48,600	45,064	40,732	7,560	**252,956**	
	Total Output 4.1						**2,800**	**98,360**	**85,840**	**68,600**	**65,064**	**60,732**	**7,560**	**388,956**	
	Output 4.2: Interventions on restoration of degraded cropland, adoption of good agricultural practices, formation of cooperatives, crop diversification and implementation of upstream-smallholder management plans	UNDP	62000	10003	71200	International Consultants	0	5,400	7,200	5,400	0	0	0	**18,000**	9
					72100	Contractual Services - Companies	0	84,000	162,000	159,000	150,000	150,000	75,000	**780,000**	13
		Total Responsible Party A					0	89,400	169,200	164,400	150,000	150,000	75,000	**798,000**	
		SFD	62000	10003	71600	Travel	0	4,000	4,000	4,000	4,000	4,000	0	**20,000**	11
					71800	Contractual Services – Impl. Partner	3,200	31,080	33,880	34,500	36,324	38,412	8,640	**186,036**	12
					74200	Audio Visual & Print Prod Costs	0	0	7,315	7,315	7,315	7,315	0	**29,260**	16
					75700	Training, Workshops and Confer	0	5,000	5,000	5,000	5,000	5,000	0	**25,000**	17
		Total Responsible Party B					3,200	40,080	50,195	50,815	52,639	54,727	8,640	**260,296**	
	Total Output 4.2						**3,200**	**129,480**	**219,395**	**215,215**	**202,639**	**204,727**	**83,640**	**1,058,296**	

		Output 4.3: Smallholders supported to access state crop assistance schemes and rural diversification activities	UNDP	62000	10003	72100	Contractual Services - Companies	0	22,500	30,000	22,500	0	0	0	**75,000**	13
			Total Responsible Party A					0	22,500	30,000	22,500	0	0	0	**75,000**	
			SFD	62000	10003	71600	Travel	0	1,200	2,400	2,400	2,400	2,400	1,200	**12,000**	11
						71800	Contractual Services – Impl. Partner	1,000	15,225	16,830	17,135	18,035	19,075	3,375	**90,675**	12
						72600	Grants	0	0	30,000	30,000	30,000	30,000	30,000	**150,000**	14
						74200	Audio Visual & Print Prod Costs	0	0	2,500	2,500	0	0	0	**5,000**	16
						75700	Training, Workshops and Confer	0	2,000	4,000	4,000	4,000	4,000	2,000	**20,000**	17
			Total Responsible Party B					1,000	18,425	55,730	56,035	54,435	55,475	36,575	**277,675**	
		Total Output 4.3						**1,000**	**40,925**	**85,730**	**78,535**	**54,435**	**55,475**	**36,575**	**352,675**	
	Total Outcome 4							**7,000**	**268,765**	**390,965**	**362,350**	**322,138**	**320,934**	**127,775**	**1,799,927**	
Component 3: Conservation and restoration-rehabilitation of natural habitats through public-private-community partnerships	**Outcome 5:** High conservation value areas protected, restored-rehabilitated, and connected, as indicated by: - Three restoration and rehabilitation planning frameworks adopted for the project key intervention areas (including pathways for women participation); - Agreement in place with one	**Output 5.1:** Degraded and fragmented ecosystems restored-rehabilitated to regain ecological functions, including connecting HCV/HCS and creating wildlife corridors, and mainstreaming connectivity principles into existing restoration-rehabilitation schemes through gender responsive	UNDP	62000	10003	71200	International Consultants	0	12,000	12,000	0	0	0	0	**24,000**	18
						72100	Contractual Services - Companies	0	52,500	252,500	200,000	200,000	200,000	200,000	**1,105,000**	22
			Total Responsible Party A					0	64,500	264,500	200,000	200,000	200,000	200,000	**1,129,000**	
			SFD	62000	10003	71300	Local Consultants	0	0	5,400	5,400	5,400	5,400	5,400	**27,000**	19
						71600	Travel	0	3,000	3,000	3,000	3,000	1,500	1,500	**15,000**	20
						71800	Contractual Services – Impl. Partner	3,200	29,820	32,120	32,660	34,388	36,364	8,100	**176,652**	21
						72200	Equipment and Furniture	0	0	22,500	30,000	22,500	0	0	**75,000**	23
						72600	Grants	0	0	0	25,000	25,000	0	0	**50,000**	24

	or more host/funding entities to operate and maintain the platform after project closure.	approaches and partnerships with communities and the private sector				74200	Audio Visual & Print Prod Costs	0	0	0	3,750	3,750	3,750	3,750	**15,000**	26
						75700	Training, Workshops and Confer	0	0	0	0	0	20,109	0	**20,109**	27
			Total Responsible Party B					3,200	32,820	63,020	99,810	94,038	67,123	18,750	**378,761**	
		Total Output 5.1						**3,200**	**97,320**	**327,520**	**299,810**	**294,038**	**267,123**	**218,750**	**1,507,761**	
		Output 5.2: Plantation companies and communities engaged on integrating HCV/HCS into management plans	UNDP	62000	10003	72100	Contractual Services - Companies	0	0	20,000	15,000	15,000	0	0	**50,000**	22
			Total Responsible Party A					0	0	20,000	15,000	15,000	0	0	**50,000**	
			SFD	62000	10003	71300	Local Consultants	0	0	16,800	12,600	12,600	0	0	**42,000**	19
						71600	Travel	0	0	4,000	3,000	3,000	0	0	**10,000**	20
						71800	Contractual Services – Impl. Partner	1,600	16,800	18,700	19,090	20,098	21,254	4,860	**102,402**	21
						74200	Audio Visual & Print Prod Costs	0	0	0	2,500	2,500	0	0	**5,000**	26
						75700	Training, Workshops and Confer	0	0	0	0	10,000	0	0	**10,000**	27
			Total Responsible Party B					1,600	16,800	39,500	37,190	48,198	21,254	4,860	**169,402**	
		Total Output 5.2						**1,600**	**16,800**	**59,500**	**52,190**	**63,198**	**21,254**	**4,860**	**219,402**	
		Output 5.3: Partnerships strengthened with tertiary and research institutions, contributing to the development of the next generation of experts in Sabah on ecosystem restoration and community co-management	SFD	62000	10003	71600	Travel	0	1,000	1,000	1,000	1,000	500	500	**5,000**	20
						71800	Contractual Services – Impl. Partner	1,400	7,770	9,020	9,200	9,692	10,246	4,050	**51,378**	21
						72600	Grants	0	10,000	20,000	20,000	20,000	20,000	10,000	**100,000**	24
						74200	Audio Visual & Print Prod Costs	0	0	0	0	2,500	2,500	0	**5,000**	26
						75700	Training, Workshops and Confer	0	0	0	0	7,500	0	0	**7,500**	27
			Total Responsible Party B					1,400	18,770	30,020	30,200	40,692	33,246	14,550	**168,878**	
		Total Output 5.3						**1,400**	**18,770**	**30,020**	**30,200**	**40,692**	**33,246**	**14,550**	**168,878**	
		Output 5.4: An online platform developed for data sharing	UNDP	62000	10003	72100	Contractual Services - Companies	0	12,500	12,500	10,000	10,000	5,000	0	**50,000**	22
			Total Responsible Party A					0	12,500	12,500	10,000	10,000	5,000	0	**50,000**	

		focusing on restoration	SFD	62000	10003	71300	Local Consultants	0	0	4,500	4,500	0	0	0	**9,000**	19
						71800	Contractual Services – Impl. Partner	800	5,565	6,270	6,325	6,661	7,043	2,295	**34,959**	21
						73300	Rental & Maint of Info Tech Eq	0	0	1,000	1,000	1,000	1,000	1,000	**5,000**	25
						75700	Training, Workshops and Confer	0	0	1,000	1,000	1,000	1,000	1,000	**5,000**	27
			Total Responsible Party B					800	5,565	12,770	12,825	8,661	9,043	4,295	**53,959**	
		Total Output 5.4						**800**	**18,065**	**25,270**	**22,825**	**18,661**	**14,043**	**4,295**	**103,959**	
	Total Outcome 5							**7,000**	**150,955**	**442,310**	**405,025**	**416,589**	**335,666**	**242,455**	**2,000,000**	
Component 4: Knowledge management and impact monitoring	**Outcome 6:** Adaptive management and sustainability facilitated through impact monitoring & evaluation and knowledge shared across Malaysia and FOLUR programme, as indicated by: - (a) Ten knowledge products (four highlighting gender mainstreaming), (b) twenty communication pieces/stories, (c) four written and/or audio-visual records of traditional knowledge practices; - (a) Two country documents, (b) ten events, (c) ten press reports	**Output 6.1:** Project implementation and results monitored, evaluated and reported	UNDP	62000	10003	71200	International Consultants	0	0	24,000	0	0	0	24,000	**48,000**	28b
						71300	Local Consultants	0	0	12,000	0	0	0	12,000	**24,000**	29a
						71600	Travel	0	0	10,000	0	0	0	10,000	**20,000**	30b
			Total Responsible Party A					0	0	46,000	0	0	0	46,000	**92,000**	
			SFD	62000	10003	71300	Local Consultants	2,250	3,375	4,875	3,375	3,375	3,375	4,875	**25,500**	29b
						71600	Travel	11,216	2,700	2,700	2,700	2,700	2,700	2,700	**27,416**	30c
						71800	Contractual Services – Impl. Partner	1,600	6,720	7,260	7,130	7,514	7,942	3,780	**41,946**	31b
						75700	Training, Workshops and Confer	11,200	1,800	1,800	1,800	1,800	1,800	1,800	**22,000**	35b
			Total Responsible Party B					26,266	14,595	16,635	15,005	15,389	15,817	13,155	**116,862**	
		Total Output 6.1						**26,266**	**14,595**	**62,635**	**15,005**	**15,389**	**15,817**	**59,155**	**208,862**	
		Output 6.2: Knowledge sharing for replication of best practice nationally and internationally through FOLUR global platform and UNDP Green Commodities Programme, and participation in	UNDP	62000	10003	71200	International Consultants	0	6,000	6,000	6,000	6,000	6,000	0	**30,000**	28a
						72100	Contractual Services - Companies	0	15,000	15,000	15,000	15,000	15,000	0	**75,000**	32
			Total Responsible Party A					0	21,000	21,000	21,000	21,000	21,000	0	**105,000**	
			SFD	62000	10003	71600	Travel	0	42,400	22,400	42,400	22,400	27,200	19,200	**176,000**	30a
						71800	Contractual Services – Impl. Partner	1,400	10,605	12,100	12,420	13,080	13,830	4,185	**67,620**	31a

		the global Impact Programme events and activities				73300	Rental & Maint of Info Tech Eq	0	1,000	2,000	2,000	2,000	2,000	1,000	**10,000**	33
						74200	Audio Visual & Print Prod Costs	0	15,000	15,000	15,000	15,000	7,500	7,500	**75,000**	34
						75700	Training, Workshops and Confer	0	6,000	21,000	6,000	6,000	21,000	0	**60,000**	35a
			Total Responsible Party B					1,400	75,005	72,500	77,820	58,480	71,530	31,885	**388,620**	
		Total Output 6.2						**1,400**	**96,005**	**93,500**	**98,820**	**79,480**	**92,530**	**31,885**	**493,620**	
	Total Outcome 6							**27,666**	**110,600**	**156,135**	**113,825**	**94,869**	**108,347**	**91,040**	**702,482**	
Project Management Cost (PMC)	PMC	PMC				71600	Travel	300	450	450	450	450	450	450	**3,000**	36
						71800	Contractual Services - Impl. Partner	21,600	33,480	35,640	37,800	39,960	42,120	44,280	**254,880**	37
						72200	Equipment and Furniture	3,416	0	0	0	0	0	0	**3,416**	38
			SFD	62000	10003	72500	Supplies	180	270	270	270	270	270	270	**1,800**	39
						72800	Information Technology Equipment	4,500	0	0	0	0	0	0	**4,500**	40
						73100	Rental & Maintenanc e-Premises	2,880	4,320	4,320	4,320	4,320	4,320	4,320	**28,800**	41
						73300	Rental & Maint of Info Tech Eq	180	270	270	270	270	270	270	**1,800**	42
			Total Responsible Party B					33,056	38,790	40,950	43,110	45,270	47,430	49,590	**298,196**	
			UNDP	62000	GEF	74100	Professional Services	3,600	5,400	5,400	5,400	5,400	5,400	5,400	**36,000**	43
						74596	Services to projects - GOE	527	8,649	3,965	988	708	589	583	**16,008**	44
			Total Responsible Party A					4,127	14,049	9,365	6,388	6,108	5,989	5,983	**52,008**	
	Total Project Management Cost							**37,183**	**52,839**	**50,315**	**49,498**	**51,378**	**53,419**	**55,573**	**350,204**	
Total Project Grant								**107,149**	**1,199,626**	**1,639,567**	**1,374,808**	**1,297,264**	**1,176,156**	**574,238**	**7,368,807**	

Budget note number	Budget Note (Description)
Component 1:	

Budget note number	Budget Note (Description)
1	**71200. International consultants.** Output 1.1: International Safeguards Consulting, providing guidance on the SESA and other project safeguards instruments, for 4 weeks at USD 3,000 per week USD 12,000). Output 1.1: International Facilitation Consultant, supporting the multi-stakeholder collaborative action activities, for 4 weeks at USD 3,000 per week (USD 12,000). Output 1.3: International TSA Consultant, providing guidance for the targeted scenario analyses, for 4 weeks at USD 3,000 per week: USD 12,000). **Total: USD 36,000**
2	**71300. Local consultants.** Output 1.1: Policy Consultant for developing ILM guidance document for 16 weeks at USD 1,500 per week (USD 24,000); Natural Resource Management Consultant for supporting development of ILM guidance document for 16 weeks at USD 1,500 per week (USD 24,000). Output 1.3: Facilitation-Systems Leadership Consultants, supporting the ILM trainings, for 12 weeks at USD 1,500 per week (USD 18,000). **Total: USD 66,000**
3	**71600. Travel.** Output 1.1: Travel expenses for systems leadership champions training (USD 15,000); travel expenses for systems leadership training of trainers (USD 15,000); travel expenses for trainings on ILM guidance document (USD 5,000); travel expenses for international and local consultants for activities under this output (USD 10,000). Output 1.2: Travel expenses for trainings on data-sharing platforms and protocols (USD 3,000). Output 1.3: Travel expenses for systems leadership trainings (USD 10,000); travel expenses for international and local consultants for activities under this output (USD 3,000); travel expenses for stakeholder consultations and other meetings under this output (USD 4,000). Output 2.1: Travel expenses for socialising roadmap and other stakeholder consultations (USD 3,000). Travel expenses for socialising the recommended fiscal and economic instruments and other stakeholder consultations (USD 3,000). **Total: USD 71,000**
4	**71800. Contractual Services – Implementing Partner.** **Chief Technical Advisor**, for 12 months out a total of 72 months at a gross salary of USD 3,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 42,210), supporting the systems leadership trainings and development of the ILM guidance document (Output 1.1); providing guidance on the development of data-sharing platforms and protocols (Output 1.2); providing guidance for the development and mainstreaming of the ILM framework (Output 1.3); providing guidance in the development of the roadmap on community and private sector conserved areas (Output 2.1); providing guidance on the analysis and recommendations of fiscal and economic instruments (Output 2.2). **Sustainable Production Officer**, for 7 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 16,422), supporting the systems leadership trainings and development of the ILM guidance document (Output 1.1); providing inputs on the development of data-sharing platforms and protocols (Output 1.2); providing guidance for the development and mainstreaming of the ILM framework (Output 1.3); providing guidance in the development of the roadmap on community and private sector conserved areas (Output 2.1); providing guidance on the analysis and recommendations of fiscal and economic instruments (Output 2.2). **Communications Officer**, for 14 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 32,844), supporting the systems leadership trainings and socialisation of the ILM guidance document (Output 1.1); providing guidance on the development and socialisation of data-sharing platforms and protocols (Output 1.2); providing guidance for the development and mainstreaming of the ILM framework (Output 1.3); . providing guidance in the socialisation of the roadmap on community and private sector conserved areas (Output 2.1); providing guidance on the socialisation of fiscal and economic instruments (Output 2.2). **Gender and Safeguards Officer**, for 14 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 32,508), providing oversight in the conduct of the SESA and development of the ILM guidance document (Output 1.1); providing guidance on the development of data-sharing platforms and protocols (Output 1.2); providing guidance for the development and mainstreaming of the ILM framework (Output 1.3); providing guidance in the development of the roadmap on community and private sector conserved areas (Output 2.1); providing guidance on the analysis and recommendations of fiscal and economic instruments (Output 2.2). **Community-District Mobilisers**, for 12 months out a total of 60 months per position (6 total positions x 12 months per position = 72 months) at a gross salary of USD 2,000 per month per position, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 166,752), supporting the systems leadership trainings and development and socialisation of the ILM guidance document (Output 1.1); providing guidance on the development and socialization of data-sharing platforms and protocols (Output 1.2); providing guidance for the development and mainstreaming of the ILM framework (Output 1.3); providing inputs in the development and socialisation of the roadmap on community and private sector conserved areas (Output 2.1); providing inputs on the analysis and recommendations of fiscal and economic instruments (Output 2.2). **Total: USD 290,736**
5	**72100. Contractual services – Companies.**

Budget note number	Budget Note (Description)
	Output 1.1. Contracted partner for Strategic Environmental and Social Assessment (SESA) (USD 50,000). Output 1.1. Systems leadership expert organization delivering training (USD 25,000) and supporting training of trainers (USD 25,000). Output 1.2. Contracted partner for conducting gap analysis, providing technical assistance and delivering training on strengthening data-sharing platforms and protocols for enabling participatory ILM (USD 50,000). Output 1.3. Contracted partner for developing and socialising ILM framework, including gathering background information and conducting targeted scenario analyses (or similar) (USD 50,000). Output 1.3. Systems leadership expert organisation, training among the key intervention areas (USD 20,000). Output 1.3. Developing action plans and mainstreaming ILM priority actions into state and local planning processes (e.g., through letter of agreements with agencies, districts, etc.) (USD 75,000). Output 2.1. Contracted partner for preparing and socialising roadmap for recognising and establishing conserved areas, undertaking consultations with relevant stakeholders, supporting 4-6 mini workshops to facilitate operationalisation of conserved areas (USD 50,000). Output 2.1. Mentoring on implementation of action plans (USD 30,000). Output 2.2. Contracted partner for carrying out analysis of existing fiscal and economic instruments and on incentivizing the management of private and community conserved areas, preparing recommendations for fiscal and economic instruments, developing strategies for mobilising CSR allocations, convening stakeholder workshops (USD 50,000). **Total: USD 425,000**
6	**72800. Information technology equipment**. Output 1.2: IT equipment (including for districts) to support data sharing platforms (USD 22,068). **Total: USD 22,068**
7	**74200. Audio visual & print production costs**. Output 1.1. Production and dissemination of information materials supporting the socialisation of the ILM guidance document (USD 5,000). Output 1.3. Audio-visual and print production costs for socialising ILM framework (USD 10,196). Output 2.1. Audio-visual and print production costs, supporting socialisation of the roadmap (USD 5,000). Output 2.2. Audio-visual and print production costs, supporting socialisation of the recommended fiscal and economic instruments (USD 3,000). **Total: USD 23,196**
8	**75700. Training, workshop, conference.** Output 1.1: Systems leadership development workshops (USD 5,000); systems leadership development hosting one of the region trainings (USD 5,000); systems leadership trainings for training of trainers (USD 5,000); workshops for developing ILM guidelines (USD 2,000); ILM guidelines trainings (USD 2,000). Output 1.2: Training on data-sharing platforms and protocols (USD 2,000). Output 1.3: Systems leadership, intervention area workshops (USD 5,000); ILM platform meetings (USD 5,000); stakeholder consultations (USD 3,000). Output 2.1: Workshops for facilitating operationalisation of conserved areas (6 workshops x USD 5,000 per workshop: USD 30,000). Output 2.2: Stakeholder workshops for socialising the recommended economic and fiscal instruments (USD 2,000). **Total: USD 66,000**
Component 2:	
9	**71200. International consultants.** Output 3.1: International Facilitation Consultant, supporting strengthening of JA Initiative for 12 weeks at USD 3,000 per week (USD 36,000). Output 3.2: International Private Section Engagement Consultant, supporting engagement with upstream players and downstream buyers for 12 weeks at USD 3,000 per week (USD 36,000). Output 3.4: International Private Sector Engagement Consultant, supporting the Open Innovation Challenge development and rollout for 10 weeks at USD 3,000 per week (USD 30,000). Output 4.1: International Farmer Support Systems Consultant, providing guidance on farmer and extension support activities for 12 weeks at USD 3,000 per week (USD 36,000). Output 4.2: International Safeguards Consultant, providing guidance for assessing and managing social and environmental risks for 6 weeks at USD 3,000 per week (USD 18,000). **Total: USD 156,000**
10	**71300. Local consultants.** Output 3.1: Finance Consultant for preparing a sustainable financing plan for 10 weeks at USD 1,500 per week (USD 15,000); Agricultural Commodities Consultant, supporting the activities of the JA Initiative, for 24 weeks at USD 1,500 per week (USD 36,000); Facilitation-Systems Leadership Consultant(s) for supporting the activities of the JA Initiative, for 28 weeks at USD 1,500 per week (USD 42,000). Output 3.2: Agricultural Commodities Consultant, supporting engagement with upstream and downstream actors for 48 weeks at USD 1,500 per week (USD 72,000).

Budget note number	Budget Note (Description)
	Output 3.4: Business Development Consultant for formulating and facilitating the Open Innovation Challenge process for 24 weeks at USD 1,500 per week (USD 36,000). Output 4.1: Agricultural Commodities Consultant, supporting activities on strengthening extension services and farmer support systems, for 16 weeks at USD 1,500 per week (USD 24,000). **Total: USD 225,000**
11	**71600. Travel.** Output 3.1: Travel expenses for international and local consultants for activities under this output (USD 15,000). Output 3.1: Travel expenses for multi-stakeholder workshops and meetings under this output (USD 15,000). Output 3.2: Travel expenses for private sector engagement activities (USD 20,000). Output 3.3: Travel expenses for stakeholder consultations/workshops for traceability system activities (USD 10,000). Output 3.4: Travel expenses for Open Innovation Challenge workshops, consultations and launches (USD 15,000). Output 4.1: Travel expenses for stakeholder workshops/consultations for agricultural extension capacity building (USD 20,000). Output 4.2: Travel expenses for stakeholder consultations, on-farm trainings, etc. (USD 20,000). Output 4.3: Travel expenses for community consultations, trainings, workshops, roadshows (USD 12,000). **Total: USD 127,000**
12	**71800. Contractual Services – Implementing Partner.** **Chief Technical Advisor**, for 38 months out a total of 72 months at a gross salary of USD 3,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 133,665), providing guidance on strengthening the JA Initiative (Output 3.1); providing guidance on private sector engagement (Output 3.2); providing guidance on traceability systems analyses and recommendations (Output 3.3); providing strategic guidance on the Open Innovation Challenge (Output 3.4); providing guidance on capacity building for extension services and farmers (Output 4.1); providing guidance for interventions on restoration of degraded agricultural land, on-farm improvements, etc. (Output 4.2); providing guidance on strengthening smallholder access and management of grant and microcredit financing (Output 4.3). **Sustainable Production Officer**, for 44 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 103,224), supporting the activities on strengthening the JA Initiative (Output 3.1); overseeing and supporting private sector engagement (Output 3.2); providing guidance on traceability systems analyses and recommendations (Output 3.3); supporting stakeholder engagement for the Open Innovation Challenge (Output 3.4); providing guidance on capacity building for extension services and farmers (Output 4.1); providing guidance for interventions on restoration of degraded agricultural land, on-farm improvements, etc. (Output 4.2); providing guidance on strengthening access and management of grant and microcredit financing (Output 4.3). **Communications Officer**, for 36 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 84,456), providing guidance on strengthening the JA Initiative (Output 3.1); providing guidance on private sector engagement (Output 3.2); providing guidance on traceability systems analyses and recommendations (Output 3.3); providing strategic guidance on communications associated with the Open Innovation Challenge (Output 3.4); providing guidance on capacity building for extension services and farmers (Output 4.1); providing communications guidance for interventions on restoration of degraded agricultural land, on-farm improvements, etc. (Output 4.2); providing communications guidance on strengthening access and management of grant and microcredit financing (Output 4.3). **Gender and Safeguards Officer**, for 34 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 78,948), providing guidance on strengthening the JA Initiative (Output 3.1); providing guidance on private sector engagement (Output 3.2); providing guidance on traceability systems analyses and recommendations (Output 3.3); overseeing management of social and environmental safeguards associated with the Open Innovation Challenge (Output 3.4); providing guidance on capacity building for extension services and farmers (Output 4.1); overseeing assessment and management of social and environmental risks associated with interventions on restoration of degraded agricultural land, on-farm improvements, etc. (Output 4.2); ensuring management of social and environmental risks associated with strengthening capacities for accessing and management of grant and microcredit financing (Output 4.3). **Community-District Mobilisers**, for 33 months out a total of 60 months per position (6 total positions x 33 months = 198 months) at a gross salary of USD 2,000 per month per position, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 458,568), supporting local level engagement with stakeholders for strengthening the JA Initiative (Output 3.1); supporting local level engagement with private sector stakeholders (Output 3.2); supporting the engagement of smallholders and medium-sized growers (Output 3.3); facilitating awareness and partnership building regarding the Open Innovation Challenge (Output 3.4); facilitating engagement of local level extension services and farmers (Output 4.1); supporting oversight of field interventions, facilitating engagement of local stakeholders (Output 4.2); engaging with local stakeholders, facilitating participation, supporting oversight of investment assistance (Output 4.3). **Total: USD 858,861**
13	**72100. Contractual services – Companies.** Output 3.1: Contracted partner, facilitating workshops on Signals of Change, systems leadership, and specific thematic issues, and strengthening the JA working groups (USD 200,000).

Budget note number	Budget Note (Description)
	Output 3.3: Contracted partner, assessing tools related to oil palm databases and traceability systems, provide recommendations and feedback on improving MSPO Trace, and support stakeholders in the adoption and operationalisation of the recommendations (USD 50,000). Output 3.4: Contracted partner for facilitating and administering the Open Innovation Challenge process (USD 8,000 for 5 years; sub-total: USD 40,000). Output 4.1: Contracted partner, designing and delivering farmer support training; preparing a roadmap for improved smallholder support; delivering workshops and multi-stakeholder field-based trainings for development of upstream-smallholder management plans; delivering training-of-trainers capacity building; and assisting the JCSC Environment and Nature Conservation Working Group in developing an HCV compensation and remediation guidance (USD 100,000). Output 4.2: Conduct SESP screening of proposed downstream activities, and where required, in accordance with UNDP social and environmental standards, ESIA studies scoped to the risks identified (USD 30,000). Output 4.2: Investment assistance for interventions on improved soil and water management, restoration of degraded cropland, good agricultural practices, agroforestry practices, diversification, high quality seedlings and other yield-improvement and yield-resilient practices, pest management. Proposals will include detailed intervention plans and confirmation of co-financing for value added contributions. (USD 750,000). Output 4.3: Contracted partner, carrying out a gap analysis on assistance schemes and developing recommendations for improvement and scalability; convening local workshops, roadshows on available programmes and requirements; and delivering trainings to smallholders, cooperatives, and CBOs on proposal development, financial management and handling grant funding. (USD 75,000). **Total: USD 1,245,000**
14	**72600. Grants.** The implementing partner will be responsible for administering the grants. Component 2 grants account for 6.1% of the total project budget or 13.57% of the total budget for Component 2. The selection and implementation of all grants must compliance with the UNDP's Policy and Operational Guidance on Low-Value Grants. All grants will be processed following the UNDP Rules and Regulations on Low-Value Grants. When selecting grantees, the project will undergo a transparent grant application and grantee selection process. All grants will contribute to the project objective. Specifically, the grants will support the following activities: Output 3.4: For Innovation Challenge solutions that can be scaled to address key sustainable issues; budgeting 6 grants at USD 50,000 per grant, however the number and value will be confirmed during the call for proposals and proposal review processes (USD 300,000). Output 4.3: For strengthening capacities of cooperatives and CBOs in accessing and managing grant and microcredit funding. (USD 150,000). **Total: USD 450,000**
15	**72800. Information technology equipment**. Output 4.1: Computer and communication equipment for the community mobilizers (20,000). **Total: USD 20,000**
16	**74200. Audio visual & print production costs**. Output 3.1: Audio-visual and print production costs supporting the JA Initiative (USD 25,000). Output 3.3: Audio-visual and print production costs, enhancing awareness regarding oil palm traceability (USD 5,000). Output 3.4: Audio-visual and print production costs supporting the Open Innovation Challenge (USD 10,000). Output 4.1: Audio-visual and print production costs, supporting extension and farmer support services (USD 10,000). Output 4.2: Audio-visual and print production costs, documenting and recording case studies (USD 29,260). Output 4.3: Audio-visual and print production costs supporting activities on accessing and managing grant and microcredit schemes (USD 5,000). **Total: USD 84,260**
17	**75700. Training, Workshop, Conference.** Output 3.1: Systems leadership workshops, other workshops (USD 25,000); JA working group meetings (USD 10,000). Output 3.2: Hosting private sector workshops as part of engaging with upstream and downstream actors (USD 25,000). Output 3.3: Organizing stakeholder consultations and knowledge sharing on traceability systems (USD 5,000). Output 3.4: Convening workshops for raising awareness and organizing Open Innovation Challenge launches (USD 10,000). Output 4.1: Capacity building workshops, training-of-trainers workshops, etc. (USD 30,000). Output 4.2: Stakeholder consultations, on-farm trainings, etc. (USD 25,000). Output 4.3: Community consultations, workshops, roadshows, trainings (USD 20,000). **Total: USD 150,000**
Component 3:	

Budget note number	Budget Note (Description)
18	**71200. International consultants.** Output 5.1: International Safeguards Consultant, provide strategic guidance on the assessment and management of social and environmental risks, for 8 weeks at USD 3,000 per week (USD 24,000) **Total: USD 24,000**
19	**71300. Local consultants.** Output 5.1: GIS Consultant, conducting analyses and mapping in support of the restoration-rehabilitation interventions, for 18 weeks at USD 1,500 per week (USD 27,000). Output 5.2: Natural Resource Management-Biodiversity Consultant, supporting training on HCV/HCS assessments, for 28 weeks at USD 1,500 per week (USD 42,000). Output 5.4: Business Development Consultant, preparing a sustainable financing plan for the online restoration database, for 6 weeks at USD 1,500 per week (USD 9,000). **Total: USD 78,000**
20	**71600. Travel.** Output 5.1: Travel expenses for field missions, stakeholder consultations, workshops (USD 15,000). Output 5.2: Travel expenses for field missions, stakeholder consultations, workshops (USD 10,000). Output 5.3: Travel expenses associated with building partnerships with tertiary and research institutes (USD 5,000). **Total: USD 30,000**
21	**71800. Contractual Services – Implementing Partner.** **Chief Technical Advisor**, for 18 months out a total of 72 months at a gross salary of USD 3,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 63,315), providing guidance on the planning and implementation of participatory conservation and restoration interventions (Output 5.1); providing guidance on more effectively managing HCV areas within production landscapes (Output 5.2); providing guidance on the call for proposals and execution of grants with tertiary institutes (Output 5.3); providing guidance on the development and sustainability of the online restoration platform (Output 5.4). **Sustainable Production Officer**, for 16 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 37,536), providing guidance on the planning and implementation of participatory conservation and restoration interventions (Output 5.1); providing guidance on more effectively managing HCV areas within production landscapes (Output 5.2); providing guidance on the call for proposals and execution of grants with tertiary institutes (Output 5.3); providing guidance on the development and sustainability of the online restoration platform (Output 5.4). **Communications Officer**, for 14 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 32,844), providing guidance on the planning and implementation of participatory conservation and restoration interventions (Output 5.1); providing guidance on more effectively managing HCV areas within production landscapes (Output 5.2); providing guidance on the call for proposals and execution of grants with tertiary institutes (Output 5.3); providing guidance on the development and sustainability of the online restoration platform (Output 5.4). **Gender and Safeguards Officer**, for 16 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 37,152), providing guidance on the planning and implementation of participatory conservation and restoration interventions (Output 5.1); providing guidance on more effectively managing HCV areas within production landscapes (Output 5.2); providing guidance on the call for proposals and execution of grants with tertiary institutes (Output 5.3); providing guidance on the development and sustainability of the online restoration platform (Output 5.4). **Community-District Mobilisers**, for 84 months out a total of 60 months per position (6 total positions x 3 months per position = 18 months) at a gross salary of USD 2,000 per month per position, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 194,544), facilitating local participation in the planning and implementation of participatory conservation and restoration interventions (Output 5.1); engaging with local plantation companies on more effectively managing HCV areas within production landscapes (Output 5.2); facilitating local engagement in the execution of grants with tertiary institutes (Output 5.3); providing inputs and facilitating local engagement in the development and sustainability of the online restoration platform (Output 5.4). **Total: USD 365,391**
22	**72100. Contractual services – Companies.** Output 5.1: Contracted partner, conducting SESP screening of proposed downstream activities under Output 5.1 and, where required in accordance with UNDP SES, carry out scoped ESIAs (USD 30,000). Output 5.1: Contracted partner, developing restoration planning frameworks applying systematic approaches, such as the Restoration Opportunities Assessment Methodology (ROAM), for the three key intervention areas (USD 75,000).

Budget note number	Budget Note (Description)
	Output 5.1: Contracted partners for implementation of participatory restoration-rehabilitation and conservation initiatives, e.g., including carbon-insetting, agroforestry for improving/diversity livelihoods, community forest management to enhance ecological connectivity, etc., in accordance with the UNDP SES. Proposals will include detailed intervention plans and confirmation of co-financing for value added contributions (USD 1,000,000). Output 5.2: Contracted partner, delivering capacity building for industry sector on integrating HCV findings into sustainable management practices (USD 50,000). Output 5.4: Contracted partner, developing an online database/platform on restoration initiatives, identifying opportunities for strategic actions and sharing experiences, identifying and facilitating a host entity to sustain and maintain the platform over the long term (USD 50,000). **Total: USD 1,205,000**
23	**72200. Equipment and furniture**. Output 5.1: Monitoring equipment, enhancing capacity of SFD and other partners in monitoring restoration-rehabilitation interventions (e.g., drones, cameras, etc.). **Total: USD 75,000**
24	**72600. Grants.** The implementing partner will be responsible for administering the grants. Component 3 grants account for 2.04% of the total project budget or 7.5% of the total budget for Component 3. The selection and implementation of all grants must compliance with the UNDP's Policy and Operational Guidance on Low-Value Grants. All grants will be processed following the UNDP Rules and Regulations on Low-Value Grants. When selecting grantees, the project will undergo a transparent grant application and grantee selection process. All grants will contribute to the project objective. Specifically, the grants will support the following activities: Output 5.1: For safeguarding community traditional conservation knowledge through supporting at least one initiative on documenting and/or recording and disseminating traditional approaches, with FPIC from the indigenous communities involved (USD 50,000). Output 5.3: For expanding innovation into the field of forest restoration-rehabilitation and community co-management (USD 100,000). **Total: USD 150,000**
25	**73300. Rental & Maintenance of Information Technology Equipment**. Output 5.4: Connectivity charges, subscription charges during the project lifespan for the online restoration platform. **Total: USD 5,000**
26	**74200. Audio visual & print production costs**. Output 5.1: Audio-visual and print production costs, documenting and recording case studies (USD 15,000). Output 5.2: Audio-visual and print production costs, supporting integration of HCV/HCS into sustainable management practices (USD 5,000). Output 5.3: Audio-visual and print production costs, documenting innovative approaches (USD 5,000). **Total: USD 25,000**
27	**75700. Training, Workshop, Conference.** Output 5.1: Convene a workshop for sharing lessons learned and best practices and promoting upscaling and replication among government, private sector, local communities and civil society (USD 20,109). Output 5.2: Convene a workshop on best practices in integrating HCV/HCS into management planning processes, inviting oil palm, timber, conservation and other sectors (USD 10,000). Output 5.3: Convene a workshop to showcase best practices, advocate for adoption of innovative approaches and facilitate durable partnerships among tertiary/research institutes, governmental departments and agencies, civil society, and the private sector (USD 7,500). Output 5.4: Stakeholder workshops and trainings on the online platform (USD 5,000). **Total: USD 42,609**
Component 4 / Outcome 4:	
28a	**71200. International consultants.** Output 6.2: International Communications-KM Consultation, supporting regional and global interactions, including under the FOLUR Global Platform for 10 weeks at USD 3,000 per week (total: USD 30,000). **Total: USD 30,000**
28b	**71200. International consultants.** Output 6.1: International MTR Consultant for 8 weeks at USD 3,000 per week (sub-total: USD 24,000). Output 6.1: International TE Consultant for 8 weeks at USD 3,000 per week (sub-total: USD 24,000).

Budget note number	Budget Note (Description)
	Total: USD 48,000
29a	**71300. Local consultants.** Output 6.1: MTR National Consultant for 8 weeks at USD 1,500 per week (sub-total: USD 12,000). Output 6.1: TE National Consultant for 8 weeks at USD 1,500 per week (sub-total: USD 12,000). **Total: USD 24,000**
29b	**71300. Local consultants.** Output 6.1: Local M&E Consultants supporting monitoring, evaluation and reporting activities throughout the project for 15 weeks at USD 1,500 per week (sub-total: USD 22,500). Output 6.1: Local GIS Consultant, preparing and updating analyses and maps, supporting project M&E for 2 weeks at USD 1,500 per week (sub-total: USD 3,000). **Total: USD 25,500**
30a	**71600. Travel.** Output 6.2: Travel expenses, supporting the implementation of the project communications and knowledge management strategy and action plan (USD 32,000); travel expenses for participation in FOLUR global event (3 events, 6 people per event; sub-total: USD 72,000); travel expenses for participation in FOLUR regional commodity events (3 x 8 people; sub-total: USD 48,000); travel expenses for participation in GCP conferences (2 events, 3 people per event; sub-total: USD 24,000). **Total: USD 176,000**
30b	**71600. Travel.** Output 6.1: MTR travel expenses (USD 10,000); TE travel expenses (USD 10,000). **Total: USD 20,000**
30c	**71600. Travel.** Output 6.1: M&E mission travel expenses at USD 3,000 per year for 6 years (USD 18,000); travel expenses for the project inception workshop (USD 9,416). **Total: USD 27,416**
31a	**71800. Contractual Services – Implementing Partner.** **Chief Technical Advisor**, for 4 months out a total of 72 months at a gross salary of USD 3,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 14,070), providing guidance for project communications and knowledge management (Output 6.2). **Sustainable Production Officer**, for 2 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 4,692), providing guidance for project communications and knowledge management (Output 6.2). **Communications Officer**, for 7 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 16,422), providing guidance for and overseeing project communications and knowledge management (Output 6.2). **Gender and Safeguards Officer**, for 2 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 4,644), providing guidance for project communications and knowledge management (Output 6.2). **Community-District Mobilisers**, for 2 months out a total of 60 months per position (6 total positions x 2 months=12 months) at a gross salary of USD 2,000 per month per position, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 27,792), facilitating local level project communications and knowledge management (Output 6.2). **Total: USD 67,620**
31b	**71800. Contractual Services – Implementing Partner.** **Chief Technical Advisor**, for 4 months out a total of 72 months at a gross salary of USD 3,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 14,070), supporting project M&E and reporting (Output 6.1). **Sustainable Production Officer**, for 1 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 2,346), supporting project M&E and reporting (Output 6.1). **Communications Officer**, for 1 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 2,346), supporting project M&E and reporting (Output 6.1). **Gender and Safeguards Officer**, for 4 months out a total of 66 months at a gross salary of USD 2,000 per month, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 9,288), supporting project M&E and reporting (Output 6.1); providing guidance for project communications and knowledge management (Output 6.2).

Budget note number	Budget Note (Description)
	Community-District Mobilisers, for 1 month out a total of 60 months per position (6 total positions x 1 months=6 months) at a gross salary of USD 2,000 per month per position, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 13,896), supporting project M&E and reporting (Output 6.1). **Total: USD 41,946**
32	**72100. Contractual services – Companies.** Output 6.2: Contracted partner, develop and implement the project communications and knowledge management strategy and action plan, establish and maintain information and knowledge sharing systems, including internet platforms and social media, organise and arrange awareness raising activities, help facilitate communications and knowledge sharing among the FOLUR community of practice (USD 75,000). **Total: USD 75,000**
33	**73300. Rental & Maintenance of Information Technology Equipment**. Output 6.2: Connectivity and subscription charges for the KM and info systems. **Total: USD 10,000**
34	**74200. Audio visual & print production costs**. Output 6.2: Audio-visual and print production costs, supporting the implementation of the project communications and knowledge management strategy and action plan (total: USD 75,000). **Total: USD 75,000**
35a	**75700. Training, Workshop, Conference.** Output 6.2: Organise/host two of the regional FOLUR events (2 x USD 15,000; sub-total USD 30,000); organise KM and awareness events (5 years x USD 6,000 per year; sub-total: USD 30,000). **Total: USD 60,000**
35b	**75700. Training, Workshop, Conference.** Output 6.1: Project inception workshop (USD 10,000); project steering committee meetings (USD 12,000). **Total: USD 22,000**
Project Management:	
36	**71600. Travel.** Travel expenses associated with the operations of the Project Management Unit during the 6-year implementation timeframe. **Total: USD 3,000**
37	**71800. Contractual services – Implementing Partner**. **Project Assistant,** 100% of the time for this full-time position, at a gross salary of USD 1,500 per month for 72 months, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 127,440). **Finance-Procurement Officer,** 100%of the time for this full-time position, at a gross salary of USD 1,500 per month for 72 months, with a 5% cost of living adjustment starting from year 2 and extending through year 6 (sub-total: USD 127,440). **Total: USD 254,880**
38	**72200. Equipment and Furniture**. Equipment and furniture for the workstations of the Project Management Unit positions. **Total: USD 3,416**
39	**72500. Supplies**. Costs of office supplies for the Project Management Unit during the 6-year implementation timeframe. **Total: USD 1,800**
40	**72800. Information Technology Equipment**. Computer and other IT equipment for the Project Management Unit (e.g., laptops, printer-scanner, projector, etc.). **Total: USD 4,500**
41	**73100. Rental & Maintenance - Premises** Rental and maintenance expenses for the office space of the Project Management Unit, at USD 400 per month for 72 months. **Total: USD 28,800**

Budget note number	Budget Note (Description)
42	**73300. Rental & Maintenance of Information Technology Equipment**. Connectivity charges, email subscriptions, etc. for the Project Management Unit. **Total: USD 1,800**
43	**74100. Professional services**. Financial audits and spot-checks during the 6-year project implementation timeframe, at USD 6,000 per year. **Total: USD 36,000**
44	**74596. Services to Project – GOE** DPC costs - Direct Project Costs: for services rendered by UNDP to the project, according to the Letter of Agreement (Annex 25c of the project document) are the costs of administrative services (such as those related to human resources, procurement, finance, and other functions) provided by UNDP in relation to the project. Direct project costs will be charged based on the UNDP Universal Price List or the actual corresponding service cost, in line with the GEF rules on DPCs. The amounts indicated here are estimations. **Total: USD 16,008**

X. LEGAL CONTEXT

282. This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Malaysia and UNDP, signed on 12 September 2012. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

283. This project will be implemented by the **Sabah Forestry Department** ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

XI. RISK MANAGEMENT

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
   a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried out.
   b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via https://www.un.org/securitycouncil/content/un-sc-consolidated-list.

4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
   a. In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

   b. Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect

to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;

ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;

iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;

iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds.

10. In the implementation of the activities under this Project Document, UNDP places reasonable reliance upon the Implementing Partner for it to apply its laws, regulations and processes, and applicable international laws regarding anti money laundering and countering the financing of terrorism, to ensure consistency with the principles of then in force the UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy.

11. The Implementing Partner will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

12. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

13. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

14. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

15. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

16. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

17. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

18. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, mutatis mutandis, in all sub-contracts or sub-agreements entered into further to this Project Document.

XII. MANDATORY ANNEXES

Annex 1: GEF budget template

Annex 2: Project map and geospatial coordinates of project landscape

Annex 3: Multiyear work plan

Annex 4: UNDP social and environmental screening report

Annex 5: UNDP risk register

Annex 6: Overview of project staff and technical consultancies

Annex 7: Stakeholder engagement plan

Annex 8: List of people consulted during project preparation

Annex 9: Environmental and social management framework

Annex 10: Gender analysis and gender action plan

Annex 11: Procurement plan

Annex 12: Climate and disaster risk screening report

Annex 13: COVID-19 risk and opportunities analysis and action framework

Annex 14: Baseline report on governance, policy, and land use planning

Annex 15: Baseline report on commodity supply/value chains and farmer support systems

Annex 16: Landscape profile

Annex 17: Estimation of GEF 7 core indicator end targets

Annex 18: GEF 7 core indicator worksheet

Annex 19: GEF 7 taxonomy

Annex 20: On-granting provisions applicable to the Implementing Partner

Annex 21: Partners capacity assessment tool and HACT assessment

Annex 22: UNDP project quality assurance report

Annex 23: UNDP checklist for all projects pending GEF approval

Annex 24: Additional agreements (cofinancing letters)

Annex 25a Execution support justification letter from IP to GEF OFP

Annex 25b GEF OFP execution support letter to GEF Secretariat

Annex 25c: Signed LOA between UNDP and IP requesting UNDP Support Services