

## United Nations Development Programme

Country: Malaysia

### PROJECT DOCUMENT<sup>1</sup>

**Project Title: Enhancing effectiveness and financial sustainability of Protected Areas in Malaysia**

**UNDAF Outcome(s): N/A**

**UNDP Strategic Plan Environment and Sustainable Development Primary Outcome:**

**UNDP Strategic Plan Secondary Outcome:**

**Expected CP Outcome(s):** CPD 2008 – 2012 Outcome 3: Improved environmental stewardship through sustainable energy development and environmental management; CPD 2013 – 2015 Outcome 2: Strengthened institutional capacity in managing climate change including achieving both the 2015 renewable energy target of 5.5% of Malaysia's total electricity generation mix and an enhanced national framework for biodiversity management of the Central Forest Spine in Peninsular Malaysia and the Heart of Borneo

Target 3.2.1: Improved integrated ecosystem management implemented; Targets 2.3: National framework on sustainable financing options recommended by 2015 for wide-spread green technology applications in the low carbon cities initiatives and effective management of biodiversity endowments in Sabah, Sarawak and the Central Forest Spine in Peninsular Malaysia.

**Expected CPAP Output(s):** Outcome: Enhancing environmental management of biodiversity and natural resources including water resource management

**Executing Entity/Implementing Partner:** Ministry of Natural Resources and Environment (NRE)

**Implementing Entity/Responsible Partners:** Department of Wildlife and National Parks (DWNP)

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<sup>1</sup>For UNDP supported GEF funded projects as this includes GEF-specific requirements

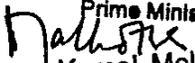
**Brief Description:** Malaysia is one of 17 mega-diverse countries in the world, with a wealth of biological diversity in its terrestrial and marine zones. The flora of Malaysia is exceedingly rich and is conservatively estimated to contain about 12,500 species of flowering plants, approximately 306 species of mammals, more than 742 species of birds, and 547 species of reptiles, including a large number of endemics. In order to safeguard the globally significant biodiversity, Malaysia has established networks of protected areas (PAs). In Peninsular Malaysia alone, there are at least four PA networks covering a total area of 2.98 million ha, managed by different agencies including the Federal Department of Wildlife and National Parks, Johor National Parks Corporation, Perak State Parks Corporation and state forestry departments. PAs under different networks are governed by different laws with varying degrees of protection status, and gazetting and de-gazetting procedures. What is common between the different PA networks is that these PAs are largely characterised as sub-optimally managed and severely underfinanced. There are four main reasons for this: (i) non-existent uniform system of national PAs under a common umbrella for achievement of biodiversity conservation goals; (ii) insufficient understanding of the economic value of the PAs and essential contribution they make to national development; (iii) insufficient incentives on the part of the state government to invest in PA management due to the perception that they are foregoing revenue generation opportunities through other forms of land use; and (iv) sub-optimal capacity at the PA management agencies for site management and PA system management. In order to remove these obstacles for optimal PA system establishment and management, the project aims to establish a uniform national wildlife PA system in Peninsular Malaysia and to establish a performance-based financing structure to support effective PA system management. Through a combination of interventions at Federal, PA network and site levels, the project will engender the introduction of system-level thinking, planning and management, supported by innovative, cost-effective and sustainable financing mechanisms. At the federal level, the project focuses on creation of a uniform wildlife PA system with standard criteria for establishment and effective management, development of the national PA system information and knowledge management system, and establishment of performance-based financing mechanisms. At the sub PA network level, the project supports to increase management effectiveness of the PA systems and decreasing of financing gaps, ensuring that PA system management and business planning processes are linked to performance-based financing. At the site level, the project supports functional, technical and management capacity development in order for the individual PAs to meet the nationally set standards and access the financial incentive mechanisms. The interventions are expected to translate into improved management effectiveness in addressing growing threats to biodiversity from, *inter alia*, poaching and land-use change, firstly within 886,000ha of the terrestrial wildlife PAs. It is in turn expected to have an indirect impact on a larger 2.98 million ha of PA system including the protection forests within the Permanent Reserved Forests (PRFs), as well as the PA networks in the State of Sabah and Sarawak, through future application of the standards and financing mechanisms for those PAs.

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Project ID:	00082355
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PAC Meeting Date:	5 April 2012

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Total allocated resources:	US\$ 19,000,000
• Regular	
• Other:	
o GEF (Cash)	US\$ 5,600,000
o Government (Cash)	US\$ 12,400,000
o Government (in-kind)	US\$ 900,000
o UNDP (cash)	US\$ 100,000

Agreed by (Government):  Date/Month/Year 2/5/2012

DATUK DR RAHAMAT BINI BT. YUSOFF  
 Director General  
 Economic Planning Unit  
 Prime Minister's Department

Agreed by (UNDP):  Date/Month/Year 5/6/2012  
 Kamal Malhotra  
 Resident Representative

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## ACRONYMS

APR	Annual project review
ASEAN	Association of Southeast Asian Nations
AWP	Annual work plan
BD	Biodiversity
BMS	Biodiversity monitoring system
CBA	Cost benefit analysis
CBD	United Nations Convention on Biological Diversity
CDR	Combined delivery report
CEO	Chief Executive Officer
CO	Country office
CSR	Corporate Social Responsibility
CTF	Conservation Trust Fund
DANIDA	Danish International Development Agency
DTCP	Department of Town and Country Planning
DWNP	Department of Wildlife and National Parks
EEPSEA	Economy and Environment for South East Asia
ENRES	Environment and Natural Resources Economics Section, Economic Planning Unit
EPU	Economic Planning Unit, Prime Minister's Office
FDPM	Forestry Department Peninsular Malaysia
FTAP	Functionality, Transparency, Accountability, Participation
FRIM	Forest Research Institute of Malaysia
GEF	Global Environmental Facility
Ha	Hectare
HoB	Heart of Borneo Programme
HQ	Headquarters
IBD	Institute of Biodiversity
IDRC	International Development Research Centre
IUCN	The World Conservation Union
IW	Inception workshop
JNPC	Johor National Parks Corporation
KM <sup>2</sup>	Square kilometre
LC	Local Committee
M&E	Monitoring and evaluation
MAS	Malaysian Airline System
MDG	Millennium Development Goals
MENGO	Malaysian Environmental NGOs
METT	Management Effectiveness Tracking Tool
MOA	Memorandum of agreement
MOF	Ministry of Finance
MYR	Malaysia Ringgit
NBC	National Biodiversity Council
NGOs	Non-government organisations
NPSC	National Project Steering Committee
NRE	Ministry of Natural Resources and Environment
NTFP	Non-timber forest products
PA	Protected areas
PES	Payments for environmental services
PIF	Project Identification Form
PMU	Project Management Unit
POWPA	Programme of Work on Protected Areas
PPP	Public Private Partnership
PRF	Permanent Reserved Forest
PSFD	Pahang State Forestry Department
PSPC	Perak State Parks Corporation
RCU	Regional Coordinating Unit
REDD+	Reduced Emissions from Deforestation and Forest Degradation Plus
ROAR	Results Oriented Annual Report
SIDA	Swedish International Development Agency
SRF	Strategic results framework

TEV	Total economic value
TPR	Tripartite review
TTR	Terminal tripartite review
TWG	Technical Working Group
UNDP	United Nations Development Programme
USD	United States Dollar
WTP	Willingness-to-pay
WWF	World Wide Fund for Nature

## SECTION I: ELABORATION OF THE NARRATIVE

### PART I: SITUATION ANALYSIS

#### CONTEXT AND GLOBAL SIGNIFICANCE

##### *Environmental Context*

1. Malaysia belongs to the Sundaland biogeographical region which comprises the Malay Peninsula and the Malay Archipelagic islands of Sumatra, Java, Borneo, and surrounding smaller islands and has been identified as the Sundaland hotspot, a mega-biodiversity region with a wide array of coastal, marine and terrestrial eco-systems. Sundaland is further divided into eco-regions. The terrestrial and marine eco-regions include the Peninsular Malaysian and Borneo Lowland and Montane Forests, the Sulu-Sulawesi Marine Eco-region and the Andaman Sea. Most of these eco-regions are located within the territory and territorial waters of Malaysia. The total land area of Malaysia is approximately 330,433 sq. km., of which 132,828 sq. km. are in Peninsular Malaysia, 123,985 sq. km. in Sarawak and 73,620 sq. km. in Sabah.

2. The nation is one of 17 mega-diverse countries in the world, with a wealth of biological diversity in its forests and marine zones. The flora of Malaysia is exceedingly rich and is conservatively estimated to contain about 12,500 species of flowering plants, and more than 1,100 species of ferns and fern allies. Many of these are found nowhere else in the world. In Peninsular Malaysia, for example, well over 26% of the tree species are endemic. The lowland dipterocarp forests are particularly rich in species diversity. For example, 814 species of woody plants of 1cm diameter and larger were found in a 50-hectare area in such a forest type. Higher endemism is expected in the herbaceous flora with some of the larger genera estimated to be endemic in more than 80% of their species. Many endemic plants are localised in their distribution, being found only in a few valleys or mountain tops.

3. Diversity is also high among the fauna. There are about 306 species of wild mammals, more than 742 species of birds, 567 species of reptiles, 242 species of amphibians and more than 449 species of freshwater fish. In Peninsular Malaysia, which comprises less than 40% of the total land area of the country, there are about 220 species of wild mammals, including Southeast Asia's threatened large mammals such as tiger (*Panthera tigris*), Asian elephant (*Elephas maximus*), and Malayan Tapir (*Tapirus indicus*). Peninsular Malaysia is also home to 635 species of birds, 250 species of reptiles, 90 species of amphibians and more than 385 species of freshwater fish. While there are about 1,200 species of butterflies and 12,000 species of moths in Malaysia, little is known of other groups of insects. A conservative estimate is that there are more than 150,000 species of invertebrates.

4. Forest cover in Malaysia overall is estimated to be 19.66 million ha (or about 59.5% of the total land area), however less than 10% is classified as primary forests. In Peninsular Malaysia, there are about 6 million ha of forests, which include lowland, hill and upper dipterocarp ecosystem types. Mangrove forests are found along many shorelines, replaced inland by large peat swamp forests, particularly in the eastern Peninsular State of Pahang and in the Bornean State of Sarawak.

##### *Socio-Economic Context*

5. Malaysia is a Federation, consisting of 13 States and three Federal Territories. Eleven States and two Federal Territories are located in Peninsular Malaysia while two States and one Federal Territory (Labuan Island) are part of the island of Borneo. Malaysia is a multi-ethnic country, and has a total population of 27.9 million (2008) and has a population growth of 2.4%. Approximately 80% of the total population resides in Peninsular Malaysia, with 9.9% in Sabah and 9.4% in Sarawak. The country scored a Human Development Index (HDI) of 0.744, which ranked it 57th among the 169 countries assessed (UNDP Human Development Report 2010).

6. Malaysia has one of the region's most dynamic economies with an impressive track record of sustained economic growth, substantial poverty reduction, and progress in human development over the last few decades. The table below summarises the key socio-economic indicators for Malaysia.

*Table 1: Socio-economic indicators for Malaysia (2007)*

Urban population	63.4%
Labour force	66.9%
Income per capita (annual)	USD 13,518
Real Gross Domestic Product (GDP) growth	6.3%
Revenue as % of GDP	23.3%
Public expenditure as a % of GDP	25.7%
Inflation rate	2.0%
Unemployment Rate	3.2%
Literacy rate	91.9%
Life expectancy at birth	74.1 years
Access to health/safe water	99%
Infant mortality per 1000	14

7. The Malaysian economy depends on three main sectors namely services, manufacturing and agriculture. The services sector was the main source of growth, expanding by 6.8% per annum during the 2006–2010 period, increasing its share of GDP to 58.0% in 2010. Growth in services was attributed to a strong performance in the finance, insurance, real estate and business services, wholesale and retail trade, accommodation and restaurants as well as the transport and communications subsectors. The manufacturing and agricultural, forestry and fishing sectors account for 26.7% and 7.5% of the GDP respectively. The growth in the agricultural sector has been slow, which is mainly attributed to a decline in the output of rubber and saw logs due to a reduction in rubber hectareage and controlled logging for sustainable forest management. However, increases in the output of palm oil, livestock and fisheries supported the growth of the agriculture sector.

8. The tourism sector is becoming increasingly important to the economy of Malaysia. Under the New Economic Model, a government initiative launched in 2010 that is intended to more than double the per capita income in Malaysia by 2020, the tourism industry aims to raise its contribution to the Gross National Income (GNI) to MYR 104 billion (about USD 33.56 billion) by 2020 from the MYR 37 billion (about USD 11.93 billion) figure in 2009. During the 10<sup>th</sup> Malaysia Plan period, Malaysia is targeting to improve its position to be within the top 10 in terms of global tourism receipts (currently ranked 16<sup>th</sup>) and increase tourism sector's contribution at MYR 115 billion (about USD 37.07 billion) in receipts and providing 2 million jobs in 2015. The Biotechnology Master Plan, which was developed in 2005, will be a key strategic driver to propel economic and social progress, which can unlock the value of the nation's natural resources and human capital.

#### **Land Use**

9. The total land area of Malaysia is 32,984,700 ha. Peninsular Malaysia makes up 13,100,000 ha or 39.7%, while East Malaysia covers 19,884,700 ha or 60.3% of the total land area of the country. Malaysia has undergone rapid economic development since independence in 1957. This has been attributed to the utilisation of its rich natural resources and the development of human capital. Inevitably, some of the original forests were converted for agriculture, plantation and urban development. Based on 2007 statistics, approximately 60% of the total land area of Malaysia (45% of Peninsular Malaysia) is still forested, of which 14.3 million ha are under the status of Permanent Reserved Forests (PRF). The remaining 40% of the country is covered by agricultural crops, rubber plantations, oil palm plantations, urban areas, etc. (refer to Table 2 below).

**Table 2: Total Forested Area in Different Years ('000 ha)**

Category	1990	2000	2005	2007
Permanent Reserved Forest (PRF)				
- Peninsular Malaysia	4,750	4,800	4,800	4,696
- Sabah	3,350	3,600	3,600	3,605
- Sarawak	4,500	6,000	6,000	6,000
(a) Total PRF	12,600	14,400	14,400	14,301
(b) State Land Forest	6,820	4,640	4,141	3,416
(c) National Parks and Wildlife & Bird Sanctuary	1,120	1,120	1,120	1,946
<b>Total Forested Area (a+b+c)</b>	<b>20,540</b>	<b>20,160</b>	<b>19,661</b>	<b>19,663</b>
(d) Rubber plantation	1,836	1,431	1,229	1,207
(e) Other land (Oil palm, agricultural crops, urban and other uses)	10,480	11,265	11,966	11,986
(f) Inland water bodies	119	119	119	119
<b>Total area for country (a+b+c+d+e+f)</b>	<b>32,975</b>	<b>32,975</b>	<b>32,975</b>	<b>32,975</b>

10. In the Federal Constitution of Malaysia, land is a State matter. The Federation has no authority over land except under Articles 83 to 86 and Article 88, which deal with the reservation and disposition of land held for federal purposes. However, the Federation may legislate to the extent of ensuring common policies over land matters and a common system of land administration, under Article 76 (4) of the Federal Constitution, though such legislation again has to be ratified by the respective States. Although overall guidelines and standards are set at the Federal level, the 13 States are empowered to enact laws and formulate policies on land and forestry matters.

#### **Protected Area Systems – Current Status and Coverage**

11. The country has had a long history of protected area (PA) management, with the first PA in Malaya (as Peninsular Malaysia was then known), the Chior Wildlife Reserve, being gazetted in 1903 in Perak State. The terrestrial PAs in Peninsular Malaysia can be divided into two broad categories:

1) **Wildlife PA:** PAs established primarily for wildlife protection and biodiversity conservation (National Parks, State Parks, Wildlife Reserves, Wildlife Sanctuaries, Nature Reserves). These areas are mostly enacted under parks and wildlife related laws such as the National Parks Act 1980, the Wildlife Conservation Act 2010, National Land Code 1965, and the state level enactments such as the National Parks (Johor) Corporation Enactment 1989 and Perak State Parks Corporation Enactment 2001. The Wildlife PA includes 35 PAs managed by the DWNP, 6 PAs managed by the two state parks corporation.

2) **Permanent Reserve Forests (PRFs):** PAs established under the National Forestry Act 1984 are primarily for forest protection to ensure climatic and physical conditions of the country, for instance safeguarding of water resources, soil fertility, environmental quality, and minimization of flood damage and erosion to rivers and agricultural lands. The PRFs are classified under four major functions: a) Production Forest; b) Protection Forest; c) Amenity Forest; and d) Research and Education Forest. In addition, some States have taken measures to amend their State forestry enactments to include provision for creation of State Parks, where biodiversity conservation is the main objective for such establishment. Around 42% of the PRFs covering an area of 2.09 million ha are classified under the non-production categories, as per the National Forestry Policy of 1978. These PRFs are typically assigned with the IUCN protected area categories of I (a), II IV, V and VI.<sup>2</sup> Currently there are 148 protection forest areas within the PRF in Peninsular Malaysia, covering 1.93 million hectares, as well as four state parks covering 160,000 hectares.

<sup>2</sup> The large majority of the areas designated under the National Forestry Act are assigned with IUCN Category VI – managed resource protected area: protected area managed mainly for the sustainable use of natural ecosystems.

12. According to the Natural Resources and Environment Compendium published by the Ministry of Natural Resources and Environment (NRE) in 2007, there are 39 terrestrial PAs covering 0.85 million ha of the land surface and 40 marine PAs in Peninsular Malaysia. This list does not include PRFs with the exception of PRF State Park gazetted under the National Forestry Act 1984. The list continues to be updated and finalized in the context of the Provisional Master List of Protected Areas in Malaysia. There are 193 terrestrial PAs under the category of wildlife PA, PRF State Park and PRFs Non-Production, which is approximately 22% of the total land area of Peninsular Malaysia (reference Table 3). The Federal Department of Wildlife and National Parks (DWNP) is responsible for 35 PAs, respective State Forestry Departments are responsible for 152 PAs while the remaining 6 PAs are under the jurisdiction of the State Governments in Peninsular Malaysia (see Table 3).

13. There are 12 categories of ecosystems identified based on data from the Department of Agriculture on land use, and combined with data on soil types and topography. As shown in Table 4 below, ecosystem representation in PAs in Peninsular Malaysia, using 10% representation of the existing extent of the particular ecosystem type as the cut-off point, a number of ecosystems including peat swamps, coastal vegetation (mangrove swamp, coastal *dipterocarp* forests etc.) and habitats over limestone and ultra-basic are under-represented in the PA system. In addition, only 10.4% of the lowland *dipterocarp* forests are protected. Critical limestone and montane areas are individually quite small in size, though their flora contains very important endemic elements.

14. The vast majority of the 216 species of mammals found in peninsular Malaysia are entirely dependent on habitat below 600 metres and this native vegetation has experienced by far the most drastic conversion to other forms of land use. In addition, many large mammal species including tiger (*Panther tigris*) require a large and contiguous forest area for survival. The government is working towards consolidating the PA coverage and increase connectivity between forest blocks.

**Table 3: Number and Area Size of the Wildlife PAs and PRF State Parks in Peninsular Malaysia**

	PA network	Number	Size (ha)	Mgt Authority	Act
Wildlife PA System	DWNP PA network	35	710,000	DWNP	National Parks Act 1980, Wildlife Conservation Act
	JNPC PA network	4	58,000	JNPC	National Parks (Johor) Corporation Enactment 1989
	PSPC PA network	2	118,000	PSPC	Perak State Parks Corporation Enactment 2001
	<b>TOTAL</b>	<b>41</b>	<b>886,000</b>		
PRF	Protection Forest network within PRF	152 (including 4)	2.09 (including 0.16 of state parks)	State Forestry Departments	National Forestry Act, 1984
	<b>Total</b>	<b>193</b>	<b>2.98 (23.4% of the total area of Peninsular Malaysia)</b>		

15. The local communities living in and around PAs are mostly indigenous people or known as *orang asli* in Malaysia, with some plantation settlers bordering the PAs. The main economic activities for populations in most of the PAs are agriculture, eco-tourism and traditional artisanal activities such as fishing, non-timber forest products and medicinal plant collection. For example, the Taman Negara National Park is home to local Batek community with an estimated population of 2,000, where there are around 50 individuals living inside the national park. The Bateks depend largely on forest produce for their food supply and are actively involved in producing and selling traditional handicrafts to tourists. The DWNP is making on-going efforts to ensure local community involvement in the PA management and in the eco-tourism activities. There are approximately 15 certified nature guide from the Batek community, which supplies a good wealth of information of the forest.

16. The Endau-Rompin National Park managed by the Johor National Parks Corporation, on the other hand, has no human settlements inside the park. However, there are four local villages of Jakun tribes located in close proximity to the national park, whose livelihoods are closely connected to the natural environment. Their livelihoods are based on subsistence and income generating activities such as hunting,

fishing, sales of rattan and gaharu. With the establishment of the park since 2000, most of the tour guiding activities are currently being undertaken by the Jakun people.

**Table 4: Representation of Different Ecosystem Types within the Protected Area System in Peninsular Malaysia**

Ecosystem types	Original extent (1,000ha)	Current Extent (2006) (1,000ha)	% current vs original extent <sup>1</sup>	Total in PA (1,000ha)	% in PA (of original extent)
<b>Lowland less than 300 m</b>					
Mangrove	116.6	88.3	74.5	2.30	1.9
Beach vegetation	0.3	0.1	33.3	0.01	3.3
Freshwater swamp	42.5	25.1	59.0	6.60	15.5
Peat swamp	701.5	338.5	48.3	15.10	2.2
Lowland dipterocarp	9,101.9	3,398.0	37.3	938.40	10.3
Habitat over limestone	235.4	60.4	25.7	11.40	4.8
Habitat over ultra-basic	3.3	1.2	36.4	0.02	0.6
Heath	1.1	0.7	63.6	0.02	1.8
<b>Lowland 300 m - 770 m</b>					
Hill dipterocarp	1,986.7	1,938.7	97.6	600.10	30.2
<b>Lower montane 750 m - 1,300 m</b>					
Lower montane	192.6	186.5	96.8	94.90	49.3
Upper dipterocarp	724.0	716.9	99.0	301.50	41.6
<b>Upper montane &gt; 1,500 m</b>					
Upper montane	75.0	73.0	97.3	38.90	51.9
<b>Peninsular Malaysia (P.M.)</b>	<b>13,182.9</b>	<b>6,827.4</b>		<b>2009.25</b>	

## INSTITUTIONAL CONTEXT

17. There is no single national PA system in Malaysia. Since the first PA was established in 1903, the number of protected areas has grown with some established and managed by the Federal Government while others are administered by individual States. At the Federal Government level, two departments within the Ministry of Natural Resources and Environment (NRE) have the mandate to administer different types of terrestrial PAs as well as biodiversity conservation. These include the Department of Wildlife and National Parks (DWNP) and the Forestry Department Peninsular Malaysia (FDPM).

18. The Federal Department of Wildlife and National Parks (DWNP) manages 35 terrestrial national parks and wildlife reserves in Peninsular Malaysia, covering 714,253 ha, gazetted under the Wildlife Conservation Act 2010, National Parks Act 1980 and state enactments. The Department is responsible for wildlife management, law enforcement activities, and issuing licenses and permits for all activities involving protected wildlife species in Peninsular Malaysia including the CITES permits. It also deals with human wildlife conflict cases and is involved in planning and development of sustainable ecotourism products. According to its mission, "DWNP is to lead the integration and implementation of conservation programme and sustainable management of the nation's biodiversity efficiently and effectively."

19. DWNP is comprised of nine divisions: a) Protected Area, b) Law and Enforcement, c) Biodiversity Conservation, d) Ex-situ Conservation, e) Ecotourism, f) Management, g) Institute of Biodiversity, h) Zoological Parks and i) Consultancy. The Protected Area Division oversees the planning and management of the national wildlife PA network, while the Law & Enforcement Division is entrusted to enforce the Wildlife Conservation Act 2010. The implementation of conservation and monitoring programmes within

the protected areas are the responsibility of Biodiversity Conservation Division, whereas the planning and implementation of sustainable ecotourism development projects in protected areas such as national parks and wildlife sanctuaries are the domains of Ecotourism Division. The Institute of Biodiversity (IBD) was established in 2004 to provide training to DWNP staff and to develop and conduct research on the nation's biodiversity resources. The establishment of IBD by the Government is a long term strategy under the National Biodiversity Policy. IBD also plays an important role to ensure DWNP staff receives sufficient training in their daily job towards effective delivery services. To achieve these roles, IBD carries out 3 major programs related to wildlife conservation: a) training, b) awareness creation, and c) collaborative research. While the IBD offers a range of training and educational courses there will be a need to review and upgrade existing content, identify new areas where courseware is needed, particularly PA finance, organize the courses into formal framework curricula, identify appropriate faculty and partners (including more at the State level), and incorporate a more 'demand driven' approach to its work. Some of this will be the focus of activities related to Outcome 3.

20. According to its mandate, the Forestry Department Peninsular Malaysia (FDPM) is responsible for the management, planning, protection and development of permanent reserved forests in accordance with the National Forestry Policy and National Forestry Act 1984. FDPM has thirteen divisions and one unit. Actual management of the PRFs including protected areas in Peninsular Malaysia designated under the National Forestry Act is carried out by respective State Forestry Departments. Given the importance of PAs, an Eco-Park and State Park Forest Division was established at the headquarters in 2009 to coordinate, monitor and evaluate the implementation of eco-park and state park forest development, as well as to provide technical advice on forest ecotourism to the State Forestry Departments. Under the division, there are 11 positions of State Park Manager which are based at respective State Forestry Departments, and where only 3 positions were occupied up to mid-2011. Some State Forestry Departments have set up internal PA units to manage state parks and amenity forests. For example, Pahang State Forestry Department has its own PA unit to manage 41 PAs with an area size of 540,662.44 ha.

21. The two States in Eastern Malaysia (Borneo), Sabah and Sarawak, have no PAs under Federal Government jurisdiction. Sabah's 131 Protected Areas are managed by different State Government agencies, including Sabah Forestry Department, Sabah Foundation, Sabah Parks and Sabah Wildlife Department. All the 29 Protected Areas in Sarawak are under a single authority, the Sarawak Forestry Department which manages them through the Sarawak Forestry Corporation.

22. Even within a single State in Peninsular Malaysia, a number of state level PA management agencies exist. For example, in 1989, the State of Johor established a State Government owned company, Johor National Parks Corporation (JNPC), which manages the four terrestrial "National Parks" (IUCN Category II) with an area size of 58,488.90 ha and two marine PAs. The corporation is governed by a Board chaired by the Chief Minister, while the overall administration is the responsibility of the Director of National Parks (Johor). There is also a Technical Advisory Committee comprising members from relevant Federal and State government agencies and NGOs to advise the corporation on technical matters. The corporation is undergoing organisational restructuring to streamline its operations and job functions of its staff. Under the current structure, JNPC operation is divided into administration, national parks and Ramsar sites where 6 administrative units have been established at PA and Ramsar Sites. The remaining 14 Protected Areas (protection forest and wildlife reserves, IUNC Category V and VI) are managed by the Johor State Forestry Department and DWNP respectively.

23. In Perak State, 16 Protected Areas (protection forest – IUCN Category VI) are managed by the FDPM through Perak State Forestry Department and 4 wildlife reserves (IUCN Category I(a) and IV) are managed by the DWNP. The Perak State Parks Corporation (PSPC) manages only two parks, the Royal Belum State Park, a category II park covering 117,500 ha and Pulau Sembilan State Park covering 182 ha. PSPC has a similar organisational set up as Johor National Parks Corporation where it is governed by a Board and supported by a Technical Advisory Committee. Administratively, PSPC is divided into four divisions, including a) Development and Marketing, b) Management Services, c) Education and Research, and d) Enforcement. The Segari Turtle Hatching Centre (Category IV) is managed by the State Government Secretary.

24. Although most of the PRFs and State parks are under the direct responsibility of the State Governments, the human resource and financial investment of the State Governments in PA management is largely *ad hoc*, and based on development projects proposed by respective state PA agencies. Hence, the total amount of financial resources for PA management is not well documented at the State level. As a consequence of the Federal-State division of powers agreed at the creation of Malaysia in 1963, these numerous agencies each operate under different legal and institutional management structures, with limited formal coordination or information sharing.

25. The Economic Planning Unit (EPU) of the Prime Minister's Department is the most influential agency concerned with economic and development planning. EPU compiles the 5-year Malaysia Plan, reviews and determines development budgets under the plan. In 2003, the Natural Resources and Environment Section was established within the EPU, to lead and coordinate the national environmental and natural resources affairs with better efficiency and effectiveness. The section is the focal point for bilateral and multilateral co-operation in the field of environment, and liaises with such agencies as the Danish International Development Assistance (DANIDA) Environmental Development Cooperation programme, Green Partnership Programs from the Government of Japan, technical assistance programmes from UNDP, Global Environment Facility (GEF) and others.

26. The Ministry of Finance collects Federal revenues including revenues from PAs and prepares the annual budget for the Federal Government. The National Biodiversity Council (NBC), which was established in 2002 as the National Biodiversity and Biotechnology Council, is the highest-level decision-making body of the government pertaining to biodiversity management. The Council is chaired by the Prime Minister and comprises 10 Cabinet ministers and 13 State Chief Ministers.

## POLICY AND LEGISLATIVE CONTEXT

27. The main development policy framework in Malaysia is Vision 2020, a long-term development vision introduced in 1991. The vision calls for a self-sufficient industrial, Malay-centric developed nation, complete with an economy by 2020 that will be eightfold stronger than the economy of the early 1990s. The 5-year development planning framework is the Malaysia Plan. The 10th Malaysia Plan covering the period from 2011-2015 has recently been approved. In the 10th Plan, the conservation and sustainable utilisation of the nation's ecological assets, both physical and biological, will be further enhanced especially in the context of accelerated economic growth.

28. The Federal and State policy and legislative framework supporting the establishment and management of Malaysia's terrestrial protected areas is quite extensive.

29. The National Parks Act 1980, amended in 1983 provides for the establishment of national parks and applies to the whole of Malaysia, except for Sabah and Sarawak. The Act, as amended, allows the appropriate Federal Minister to request that any State land be reserved for the purpose of a national park, although this has no legal force. However, the States have been reluctant to lose control over land ownership and the Act has been used only once. The Protection of Wild Life Act 1972 is a consolidation of Federal laws relating to wildlife protection in Peninsular Malaysia with provisions for both the protection of fauna and habitats. The Act provides for the establishment, alteration and extinction of wildlife reserves and sanctuaries by the state governments, although all management is in the hands of the federal government. Malaysia's Parliament passed the new Conservation of Wildlife Bill in May 2010 to repeal the Protection of Wildlife Act. The new law is now in force, and among other things, provides significantly higher penalties and mandatory jail terms for wildlife crimes.

30. The National Forestry Act 1984, amended in 1994 provides for the State Director of Forestry, with the approval of the State Authority, to classify every PRF. The following classifications lend themselves particularly to the protection of wildlife habitat: protected forest, amenity forest, and education and

research forest. State governments have formally agreed to adopt the categories within the National Forestry Act. The Fisheries Act (1985) makes provision for the establishment of marine parks and marine reserves by the appropriate Federal Minister, in any Malaysian waters, to afford protection to flora and fauna, and to make provision for scientific study and recreation. Other legal instruments for the establishment of protected areas in Peninsular Malaysia include the National Land Code 1965, Local Government Act 1976, National Parks (Johor) Corporation Enactment 1989 and Perak State Parks Corporation Enactment 2001.

31. The main legislative framework for land use planning and development is the Town and Country Planning Act 1976. Conservation is specifically recognised to be an essential element of land-use planning under the Act, which is enforced by the Department of Town and Country Planning (DTCP). The Act gives the provision to the State and local authorities to set aside certain land to be conserved and protected in one way or another. However, the form and content of the Town and Country Planning Act adopted by States may differ significantly from the parent Federal Act. Rather than as a mandate, the Federal DTCP advises the State DTCP in development and implementation of the State land management plan.
32. The Environmental Quality Act 1974 was amended to include Environmental Impact Assessments (EIAs) in 1985, in addition to its original objective of regulating the sources of possible pollutants to the environment. It is enforced by the Department of Environment. Detailed EIAs prepared by a project proponent are required by law for selected development activities, including land conversion for agriculture and forestry and infrastructure development. Assessments should be undertaken through public consultations and the detailed EIAs made publicly available.
33. Various other policies are more specific to conservation of terrestrial biodiversity and the establishment and management of protected areas:
34. The National Policy on the Environment 2002 aims at achieving continued economic, social and cultural progress in Malaysia and enhancing the quality of life of its people, through environmentally sound and sustainable development. One of its three objectives is to 'conserve Malaysia's unique and diverse cultural and natural heritage with effective participation by all sectors of society'. A broad-based strategic approach is adopted to promote environmental soundness through research and development, economic efficiency, social equity, responsibility and accountability.
35. The National Policy on Biological Diversity 1998 aims to "conserve Malaysia's biological diversity and to ensure that its components are utilised in a sustainable manner for the continued progress and socio-economic development of the nation". One of the Objectives is "To ensure preservation of the unique biological heritage of the nation for the benefit of present and future generations." Fifteen (15) strategies are defined, of which several are relevant to protected area management, including a) Strategy 4 "Strengthening the Institutional Framework for Biological Diversity Management", b) Strategy 6 "Integrate Biological Diversity Considerations into Sectoral Planning Strategies", and c) Strategy 15 "Establish Funding Mechanisms."
36. A Common Vision on Biodiversity was endorsed by the National Biotechnology and Biodiversity Council (now the National Biodiversity Council, NBC) in 2009. The Common Vision outlines a three-pronged approach to biodiversity management: a) Strengthening the Protected Areas System; b) Landscape Management for Biodiversity; and c) Mainstreaming of Biodiversity. The first strategy calls for an overall protected area system where all areas are identified and assigned an IUCN category and managed in accordance with common principles. As a first step in implementing this strategy a Master List of Protected Areas has been drafted to register all areas gazetted for purposes which are in line with the IUCN protected area categories. The Malaysian protected area types mentioned above are independent of the IUCN protected area categories but, through the protected areas master list initiative, preliminary IUCN classification has been recommended for the individual protected areas.
37. The National Forestry Policy 1992 aims to strengthen the institutional base and enhance the co-operation and understanding between Federal and State Governments in forestry sector development and management. The Policy introduces a clear classification system for the Permanent Forest Estate, with associated management standards. It also provides for a) the conservation of biological diversity and areas

with unique species of flora and fauna, b) development of a comprehensive programme in community forestry, c) promotion of active local community involvement in forestry management projects, as well as d) support for intensive research programmes in forestry and forest products.

38. National Wetlands Policy 2004 aims to ensure conservation and wise-use of the wetlands to benefit from its functions, as well as fulfill Malaysia's obligations under the Ramsar Convention. The policy's objectives include: a) protection and conservation of different types of wetlands, b) integration of wetlands conservation interests into overall natural resource planning, c) management and decisions, d) increase scientific and technical knowledge and public appreciation in wetlands functions and benefits, and e) restoration of degraded wetlands.

39. National Biotechnology Policy 2006 provides a framework for the Government, in partnership with key stakeholders, to harness the benefits of biotechnology development that is in accordance with established social and ethical norms. One of its main objectives is to create greater values from agriculture and natural resources utilising unique biodiversity and environmental assets.

40. The Third National Agriculture Policy 2006 set the strategic directions for agricultural development to the year 2010. These focus on new approaches to increase productivity and competitiveness, deepen linkages with other sectors, venture into frontier areas as well as conserve and utilise natural resources on a sustainable basis. The policy makes 'sustainable management and utilisation of resources' the guiding principle in pursuing agricultural and forestry development. It provides for strengthening rules, regulations and incentives to encourage environment-friendly agricultural and forestry practices and to minimise the negative impact of these activities on the environment.

41. National Physical Plan 2005 sets a spatial framework for sustainable development and delineates important conservation areas for biodiversity and conservation. The Central Forest Spine (CFS) is a central conservation landscape in this plan and will complement tiger conservation since it promotes the protection of biodiversity-rich core areas, inter-connected by a system of large forest blocks where ecologically sound land-use is practiced.

42. The National Tiger Conservation Action Plan for 2008-2020 approved by the National Biotechnology and Biodiversity Council identifies four objectives towards achieving its goal to increase the number of wild tigers to 1,000, of which one is to secure the CFS with strictly protected priority areas in landscapes connected with corridors.

43. The National Strategy for Plant Conservation 2009 has set a number of targets including the following: a) at least 10% of each of the nation's ecological habitats are effectively conserved; b) fifty per cent (50%) of the most important areas for plant diversity should be protected; c) sixty per cent (60%) of the nation's threatened species are conserved *in situ*.

44. National Policy on Climate Change 2009 serves as the framework to mobilise and guide government agencies, industry, communities as well as other stakeholders and major groups in addressing the challenges of climate change in a concerted and holistic manner. Emphasis is on strengthening capacity of the nation to reduce its vulnerability to climate change whilst promoting mitigation responses that also enhance sustainable development, including ecosystem based adaptation responses.

#### **FINANCING FOR PA MANAGEMENT**

45. Currently, PA management in Malaysia is largely financed by the Federal or State Governments budgetary allocation. This is supplemented by conservation programmes by a range of non-government organizations, which draw funds from public and private sources through different mechanisms, as well as limited donor funding. The Malaysia Constitution allows States to earn revenue through taxes from land-based activities and resources; while other taxes flow to the Federal Government. Revenues will vary from State to State because of differences in the amount of land, water and forest resources, and the nature of their uses. The larger States, including Pahang, draw large revenues compared to the smaller ones such as Penang and Melaka. State and Federal PA authorities are responsible for the protection, management and conservation of PAs. Funds from the Federal Government are disbursed to federally gazetted PAs through

the federal consolidated accounts or through specific trust accounts that has been set up for specific purposes. These funds cover recurring costs for operational activities and personnel, as well as for development or project-related activities.

46. Funding to support State parks normally flows from the State consolidated funds. Revenues are earned through fees, licenses, rates (assessment) and taxes on land and minerals. Fund allocation is based on State-level priorities. Trust accounts can also be set up, according to the objectives of the institution, such as the Johor National Parks Corporation. Revenue from entry fees, licenses etc are deposited into the specific trust accounts which are used for the management of the parks. Most often the revenue generated will not cover park management requirements effectively. State agencies also receive grants from the Federal Government through grants based on tax-sharing. The Federal Government allocates “operating funds” to States on an annual basis through the “Capitation Grant” and “State Road Grant”, however these funds are not earmarked for conservation activities. “Development funds” are allocated through the Malaysia Five Year Plans. An overview of this framework as it related to protected area financing is provided in Figure 1 below.

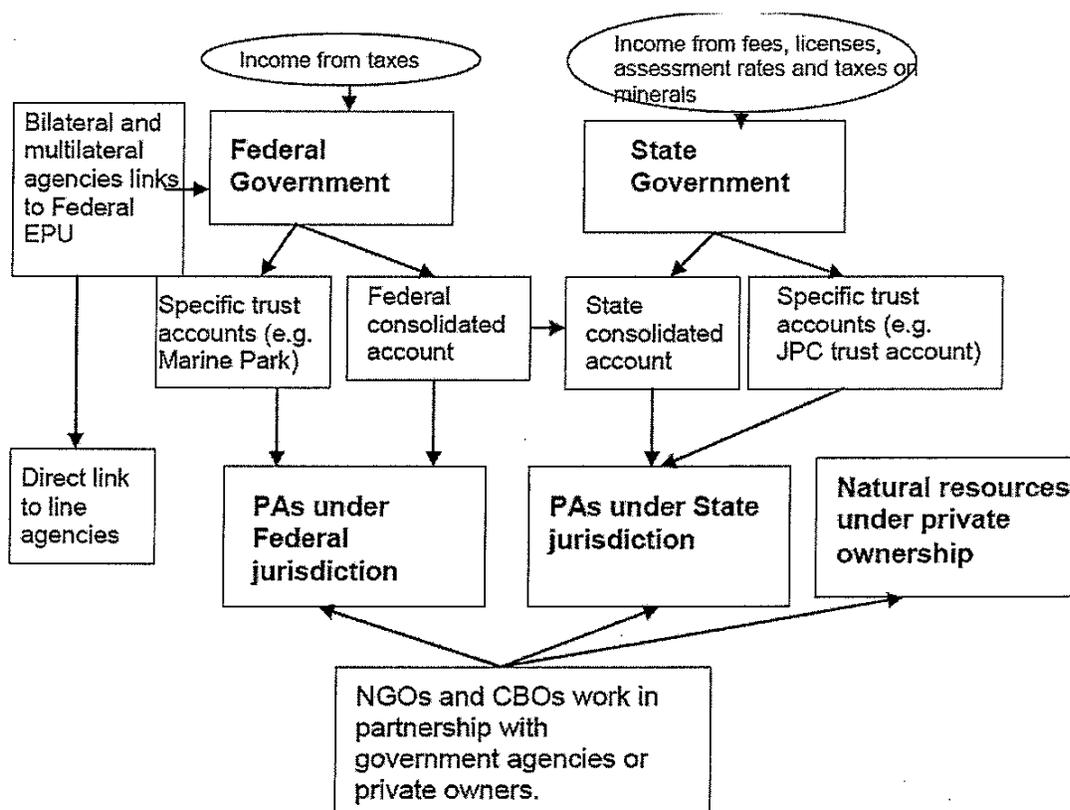


Figure 1: Funding flows to support PA management in Malaysia<sup>3</sup>

47. Development budget under the Five Year Development Plan are managed at the Federal Government level. Figure 2 below illustrates the process flow in this regard. At the “consultative stage” the EPU engages with various ministries, departments, agencies and State Governments and:

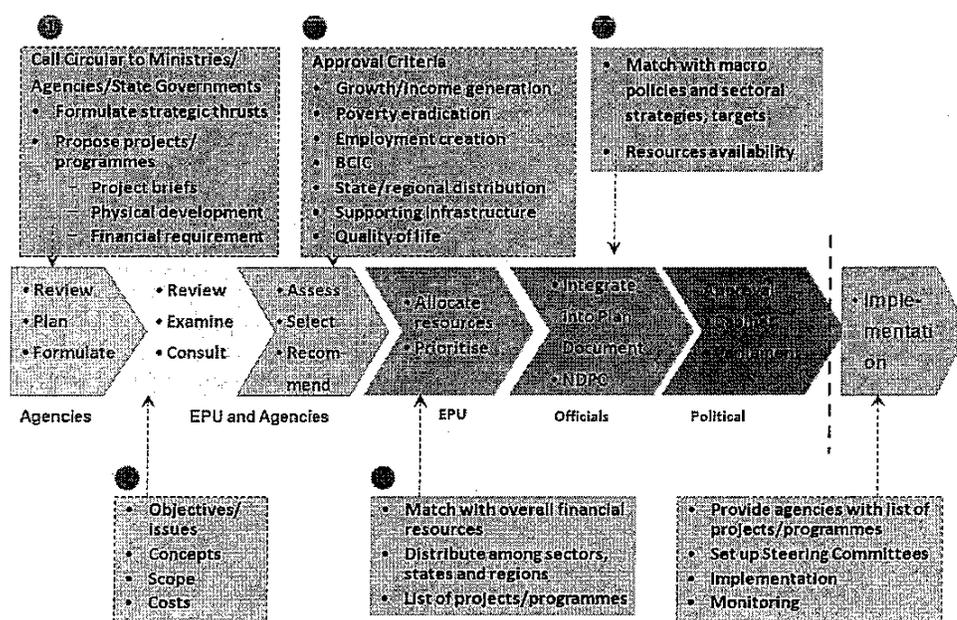
- a. Reviews past performance;

<sup>3</sup> From EPU DANIDA Project. “Designing Malaysia’s Conservation Trust Fund: Issues and Options”. 16 March 2009, p.6.

- b. Identifies issues and problems;
- c. Identifies new areas of focus;
- d. Determines overall objectives, scope and costs of each programme.

48. During the “assessment stage” the EPU will consider details in terms of whether project/programmes meet key criteria. These would include, a) the extent to which proposals contribute to growth and income generation, employment creation and urban/rural, state/regional distribution in line with macro targets, and b) how best, new and improved proposals meet the National Vision Policy 2020 targets, such as poverty alleviation, improving quality of life, with focus on specific target population segments. Not surprisingly, the number and magnitude of proposals is always overwhelming, and the EPU is faced with a mammoth task to balance all interests and bundle these into a development plan for review and approval of the National Development Planning Committee (NDPC), Prime Minister’s Special Committee, Cabinet and Parliament.

**Figure 2: Project Approval Process for Malaysia Five Year Development Plan**



### THREATS, ROOT CAUSES AND IMPACTS

49. The key threats to Peninsular Malaysia’s globally significant terrestrial biodiversity and their root causes and impacts are summarised below.

50. Land-use change, resulting in fragmentation and isolation: At the turn of the 19<sup>th</sup> Century, primary rainforest covered over 90% of Peninsular Malaysia. Although present forest covers 45% of the Peninsula, only 9.8% of 13.3 million ha of the land area is intact primary forest. Most surviving areas of relatively undisturbed natural habitats are effectively “islands in a landscape” characterised by transformed and/or degraded ecosystems, for example, extensive tree-crop monocultures (predominantly of rubber and oil palm) or agricultural land surround many surviving high-quality lowland forest areas. In other cases, production forest that is not managed for conservation compromises the integrity of adjacent protection forest (e.g. through the creation of access roads and logging trails that facilitate encroachment and poaching). This fragmentation results in genetic isolation of populations of endangered species and reduced habitat value due to “edge effects”. These threats are exacerbated by the fact that State, district and local development plans do not adequately account for areas of natural habitat designated as PAs in

determining adjacent land-uses. The 2009 IUCN Red List upgraded the threat status of many local mammals compared with the 2007 assessment. This is a direct result of the fact that many lowland *dipterocarp* forests have been converted to agricultural plantations through government and private land development schemes, driven by Federal and State agricultural development policies, without internalising the externalities of the forest loss. Underestimation of the total economic value (TEV) of the forests, biodiversity and associated ecosystem services is another root cause for this threat.

51. **Encroachment and illegal logging:** Large-scale, systematic illegal logging is not considered a major threat at present in Peninsular Malaysia, however illegal logging is considered to be a growing risk, particularly in remote forest areas. PAs are particularly vulnerable to illegal logging when boundary demarcation is not clear, monitoring and enforcement is inadequate and physical conditions within and outside the PA, e.g. access roads, surrounding land use, natural barriers permit this activity. In general there is low occurrence of such activities and the degree of this pressure and threat is considered to be moderate. Actions taken by the PA authorities to combat this form of illegal logging include strengthening of law enforcement activities, surveillance and monitoring, improved public awareness and networking with village leadership. It is important to distinguish large-scale logging operations from low-level timber extraction. "Timber extraction", considered a lower intensity activity by locals, without use of heavy machinery puts mild or moderate pressure on some parks. Improved boundary demarcation and patrolling, combined with public awareness render this threat less significant than others. Actual assessments and quantification of the nature and extent of illegal logging and associated trade are imprecise. Malaysia has scaled up its efforts to address illegal logging through a comprehensive approach that combines policy, enforcement, market-based incentives and public awareness. However, illegal land clearing on small scale for housing, settlement, roads, agriculture and tree plantations, illegal collection of non-timber forest products (NTFPs) such as agarwood (gaharu) are placing increasing pressures on PAs. PA authorities respond by trying to contain these efforts with the understanding that no new expansion will occur.<sup>4</sup> According to DWNP statistics, 20 cases of encroachment and illegal logging were reported in the wildlife PAs from 2007 to 2009. Encroachment (land clearance), population pressure, rural poverty, need for cheaper timber sources for commercial operations to be profitable or competitive, as well as ineffective patrolling of permanent forest reserves are some of the underlying causes of this problem.

52. **Poaching and illegal wildlife trade:** In Malaysia, illegal hunting includes all forms of unsanctioned hunting practices, including poaching for illegal trade, sport hunting, and hunting for subsistence purposes by local communities in PAs where there are no legal hunting rights. Evidence of poaching exists, where the pressure and threats are considered to be mild, moderate, and high depending on the PA. In some cases, hunting by local communities living near PA borders, who do not have legal rights to do so, is unofficially tolerated in recognition of their long history of resource use in the area. However, the more organized, criminal form of illegal hunting is considered to pose more serious threats. This variety of hunting generally has a mild and short-term impact, as most game animals are those with high reproduction rates such as wild pigs, sambar deer, mousedeer and the barking deer (*Muntiacus muntjak*). However, there are also reports involving larger mammals, such as the Malayan sun bear, the Malayan tapir (*Tapirus indicus*) and the Malayan tiger (*Panthera tigris jacksonii*), of which only an estimated 490 remain in the country. Malaysia is among a cluster of South East Asian nations which is a transit point for the global illegal trade. The number of reported actions by the ASEAN Wildlife Enforcement Network (WEN) shows an alarming trend. For example in one quarter alone, between 01 July and 30 September 2010, Malaysian authorities thwarted attempts to smuggle (export) 422 live, endangered cloud monitor lizards, 95 boa constrictors, 2 venomous rhinoceros vipers and a mata-mata turtle, 2 tons of illegally harvested agarwood, 31 Masheer fish, 400 live radiated and ploughshare tortoises, 40 tomato frogs, two birds of paradise, albino pygmy monkeys, snakes, leopard cats and thousands of other birds along with 42 stolen cars.<sup>5</sup> The scale of poaching is difficult to estimate, as there is currently limited monitoring or systematic estimation of remaining populations for wildlife species such as tigers and elephants. Lack of inter-agency coordination,

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<sup>4</sup> MNRE. "Management Effectiveness Assessment of National and State Parks in Malaysia". MNRE: 2006, pp 13-14.

<sup>5</sup> 2010 Q3 ASEAN-WEN Update. <http://www.asean-wen.org/>

gaps in human and financial resources, low penalties, porous border and increasing human-wildlife conflict are some of the underlying causes. The lack of awareness among the rural populations of the consequences of poaching and illegal trade is another major root cause of this problem.

53. **Climate Change:** Some potential negative impacts of climate change in the Malaysian context would include a) saltwater intrusion from sea level rise, b) reduced crop yields, c) greater rates of disease among forest species and biodiversity loss, d) erosion of shorelines, e) increased flood intensities, f) coral reef bleaching, g) increased incidences of human disease, h) tidal inundation of coastal areas, i) decreased water availability, and j) increased intensity of precipitation and droughts. Although there is no detailed analysis of the potential impacts of climate change on PAs, it can be expected that some of the more vulnerable PAs, especially those located at coastal areas and mountain tops will be impacted.

#### **LONG-TERM SOLUTION AND BARRIERS TO ACHIEVING THE SOLUTION**

Malaysia's long-term strategy to address these threats to terrestrial biodiversity is to have an effective, well-resourced national PA system, supporting ecologically-comprehensive, well-managed networks of PA sites in Malaysia that are integrated into broader land-use and development-planning systems. Although PAs are not immune from the threats outlined above, they remain the most effective mechanism available to conserve comprehensive assemblages of the country's globally-important biodiversity.

54. Such a PA system,

- ✓ Is governed by a common management framework to set categories and management standards in order to ensure that the PA network as a whole will fulfil the objective for biodiversity conservation
- ✓ Is supported by a system to monitor and evaluate performance of each PA
- ✓ Is financed through needs-based budgeting and sound business planning for individual PAs and for the PA system as a whole
- ✓ Has strong technical and management capacity in place at the sub-national and site level with close collaboration between PA sites and PA networks
- ✓ Is supported by credible technical information at the national and sub-national level for decision-making in PA planning and management, in particular, expansion of PA coverage
- ✓ Has demonstrable community level support and participation of civil society organizations in some aspects of programme implementation to reduce threats and remove barriers to biodiversity conservation
- ✓ Enables scientific research advances into key technical areas, particularly those linked to bio-economic growth without compromising conservation objectives

55. The Government of Malaysia has been making efforts in the above direction, developing the National Master List of the PAs which a) builds on previous efforts, b) adopts the IUCN definition of "protected areas", c) includes protection forests within the PRF, and d) separates gazetted from non-gazetted areas.

56. However, a number of barriers currently compromise the effectiveness of a potential national system of PAs in conserving globally significant biodiversity. Barriers exist at three levels: at the national system level, within sub-national PA networks and at individual sites.

#### **Barrier 1: Insufficient government capacity at the national level to manage and financially support the national PA system**

57. **Lack of national framework for establishing consistent PA system:** Malaysia's PA network consists of a number of sub-PA networks, including PAs managed by the Federal Government and networks at each of the 13 States largely managed by the State forestry departments. Of the 193 terrestrial PAs in Peninsular Malaysia, 158 PAs are under State level management, while 35 are under the Federal Government. Johor State, for example, has three PA networks: a) four (4) PAs managed by Federal DWNP designated under the Wildlife Conservation Act 2010; b) ten (10) State forestry department-

managed PAs established under the National Forestry Act; and c) four (4) JNPC managed terrestrial PAs gazetted under the National Parks (Johor) Corporation Enactment 1989. In the rare case of Taman Negara National Park, the largest PA in Malaysia, three different areas in three States are gazetted under respective State enactments, yet it is managed by the Federal DWNP. As such, for each State in Peninsular Malaysia, there are at least two different laws and two different agencies in charge of PA management. As a result, different portions of each State level PA network in Malaysia are currently developed and managed according to their own systems, with different criteria and processes for creating and managing sites.

58. To date, there is no instituted mechanism to harmonise, coordinate and monitor neither the existing PAs under each management authority, nor the creation of new ones at the national level. This results in an unclear assessment of gaps that need to be filled, duplication of efforts and lost opportunities to create synergies between PAs under different sub-systems. The situation is further exacerbated if private and indigenous reserves are considered, as these fall under another set of institutional arrangements and legal frameworks.

59. The Government has recently made a decision to integrate PRF Protection Forests with the primary objective of biodiversity conservation in the national PA network. The Federal Department of Wildlife and National Parks (DWNP) within the Ministry of Natural Resources and Environment (NRE) is responsible for providing a coordination role for PAs in order to ensure the implementation of the Programme of Work on Protected Areas (PoWPA). DWNP is currently analysing the representation of key ecosystems in the national PA system and finalising the National Master List of the PAs. However, the DWNP has not been able to set consistent criteria for the establishment of different categories of PAs, to establish management standards of PAs, and develop a system for monitoring and evaluating performance of PAs.

60. Moreover, as PAs are governed by different laws, the process of gazette and de-gazette varies from one law to the other. For example, Taman Negara National Park is gazetted for perpetuity, while in the case of the Endau-Rompin National Park, the Johor State Authority may de-gazette any portion or all of the PA, without a need for public consultation. Similarly for the Royal Belum State Park, the Perak State authority may de-gazette the protected area without a need for public consultation. PAs gazetted under the National Forestry Act 1984 (protection forests including state parks) can also be de-gazetted by the respective State authorities without a need for public consultation. Although de-gazette of PAs rarely happens due to overwhelming public pressure against any attempt to de-gazette PAs, it still remains as a barrier in particular for PRF Protection Forest, which may not be well known to the public despite their important ecological functions.

61. This barrier hinders the creation of an effective, representative and well-managed national PA system. An effective national PA system should have a holistic approach towards the establishment and management of PAs, taking stock of the existing PA coverage and ecosystem representation, mapping out the strategy for ensuring adequate representation, as well as providing standardisation of management approaches and coordinating the efforts of individual PA agencies.

62. ***Mismatch in the costs and benefits of establishing PAs between national and sub-national government authorities:*** PAs provide a variety of benefits to a country, including direct and indirect revenues from tourism and other livelihood activities, environmental services such as watershed protection, conservation of genetic resources and governance benefits including the ability to fulfil international treaty obligations (e.g. to the CBD). In the Malaysian context, most of the benefits, including tax revenues from tourism activities (e.g. 6% sales tax revenues) accrue to the Federal Government. However, the direct and indirect costs of establishing and maintaining an individual protected area or PA networks fall largely on sub-national actors, particularly the State Governments.

63. Under the Malaysian Constitution, jurisdiction over natural resources and land issues is vested with the State. Lands and their productive uses are one of the primary sources of revenue for State Governments. State Governments levy annual land and property assessments, premiums for conversion of lands to different uses (e.g. from agricultural use to commercial or residential development) and receive royalties from the exploitation of timber and mineral resources. However, once land is gazetted as a PA, it

means that the State would forego significant revenues in perpetuity, while simultaneously taking on the financial burden of managing the PA.

64. The vast majority of PAs are gazetted under the National Forestry Act, but are managed at the State level. A PA can also be created under State Government enactments, or under other Federal legislation such as the National Parks Act and Wildlife Conservation Act. If the National Parks Act or Wildlife Conservation Act is used, it means that the PA will be managed by the Federal Government with a Federal budget. Then any fees for PA use will also accrue to the Federal Government. Therefore, States are naturally hesitant to use Federal legislation to gazette a PA although the application of the Federal Acts does not mean transfer of ownership of land from the State to the Federal Government. As a result, the National Parks Act has only been used once in gazetting the Penang National Park in the State of Penang.

65. The PAs created under the Forestry Act and State Government enactments are managed by the State Forestry Departments or park management corporations established by the States, such as the Johor National Parks Corporation, which manages 4 out of 18 terrestrial PAs in the State of Johor, and the Perak State Parks Corporation that is entrusted to manage the Royal Belum State Park and Pulau Sembilan State Park. The management cost is also covered by the State Governments, and the revenue will be retained by the States. The State Governments tend not to see their PA network as economically beneficial, due to the reasons stated earlier and as the economic potential of the PA network has not been fully realised. This results in chronic under staffing and underfunding of the State-managed PAs.

66. The disconnection between costs and benefits at the national level versus costs and benefits at the sub-national level is the primary systemic barrier hindering the establishment of an effective national PA system. There do not appear to be incentives for States to gazette more PAs or increase investment and management effectiveness of existing PAs, as the States perceive that PAs are more of a cost than a benefit. This perception can be only changed if States are able to realise tangible benefits from PAs, and the Federal Government provides the necessary support towards management of State-managed PAs which will benefit both the State and Federal Governments, in addition to generating wider public benefits.

67. *Undervaluation of PA system and lack of integration of PAs into broader national development planning:* Despite the fact that the PAs have tremendous economic values through tourism and a range of ecosystem services, these values are not internalised within the national development and fiscal planning processes such as the five-year national development plans (Malaysia Plans). While the latest national development plans recognise the importance of enhancing the conservation and sustainable utilisation of the nation's ecological assets, this has not really reflected in the government budgeting at the national and state levels. This is resulting from insufficient knowledge about the multi-dimensional values of the PAs and the roles PA networks play in State development, for example economic values associated with tourism and a number of ecosystem services including water provisioning, disaster control and regeneration of production forests. There needs to be a higher recognition amongst planners and decision-makers, in particular within the EPU, the Ministry of Finance, State EPUs and State Treasuries about the essential roles and economic benefits of PAs, when formulating land use plans and development programmes at the national, state and district levels.

## **Barrier 2: Insufficient technical and institutional capacities to manage sub-national PA networks**

68. *Fragmented planning and management structures, with overlapping jurisdictions:* Management approaches, planning and decision-making systems, fiscal and budgetary structures and capacity development programmes all vary from network to network. In certain instances these systems overlap, for instance with sites that are gazetted as both forest reserves and wildlife reserves. Even without spatial overlapping, the DWNP is in charge of wildlife conservation all over the country, including PAs managed by other entities. This means that even if a forest ranger finds poachers during a patrol, he/she does not have the power to arrest the offenders. Instead, the cases need to be referred to the DWNP or Police, making law enforcement activities highly ineffective. These fragmented planning and management structures may hinder effective management of the sites and coordination between complementary institutions. The multiple sub-national PA networks also result in cost inefficiencies and redundancies.



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Thus far there has been no common model for management planning or system-wide development to which all sub-national networks subscribe, a fundamental concern which will be addressed by the project.

69. *Lack of integration between PAs and broader landscape-level land-use and national development planning.* Individual PA networks are established and managed by individual State-level bodies or Federal technical agencies. Existing forest management plans focus primarily on timber resources rather than a wider forest land use plan, which would consider management of natural forest cover in watersheds, rehabilitate and develop bare forestlands and cultivated areas respectively, and institutionalize a system of forest governance that provides technical support and incentives for improved management. Network managers lack the technical capacity or institutional mandate to integrate PA networks into either the national land-use planning system (framed within the National Physical Plan) or within national development planning processes such as the Five-Year Development Plans. Moreover, given the resource constraints faced by network managers, the focus of effort is on a limited number of technical priorities and operational tasks.

70. *Fragmented financial planning and budgetary allocation systems:* All existing governmental support for PAs is sourced from the Federal and State budgets, and also the Malaysia Plans framework. As described earlier, the financial resources for each sub-national system are channelled through one or more different processes. For instance, funding for PAs managed by the DWNP or the Department of Marine Parks Malaysia (DMPM) is channelled through NRE, while funding for the various State-level PA networks forms part of the individual State budget allocations. Separate funding is also provided via the budget of the Ministry of Tourism mainly for tourism-related infrastructure. Some research funding is also channelled through the Forest Research Institute Malaysia (FRIM), which comes under the NRE.

71. There are no specific guidelines for PA management in the Malaysia Plans, and for the annual government budget allocation process at the Federal and State level. In fact, the development budgeting of ministries, agencies and state governments under the Malaysia Plan has to match the overall economic thrusts, macroeconomic framework and broad strategies provided by EPU, which tend to emphasize key priority areas for socio-economic growth. Moreover, PA agencies often prepare their development budget proposals for individual PAs in the absence of management plans or business plans and without an accurate knowledge or understanding of the costs and benefits of PA systems to the overall economy of the country.

72. The annual operating budget allocation process of ministries, agencies and state governments is similar to the development budget planning in Malaysia Plan but it falls under the responsibility of the Ministry of Finance. Respective PA agencies at the Federal and State level prepare and submit their operating budget plan to the Natural Resources and Environment Unit of the Budget Management Division for annual allocation. The budget allocation is largely based on the current staff complement of the respective PA agency rather than actual PA management requirements as would be stipulated in a management plan or business plan. As a result, the government's financial investment in PA management and operating budget allocation remains sub-optimal and unsustainable. It will be increasingly important to institute needs and performance-based budget processes for PA management, as well as establish of policies and guidelines for PA revenue generation and retention.

### **Barrier 3: Suboptimal PA management at the site level**

73. *Inadequate technical and professional management capacities:* There is at present no national system to train or manage technical and field PA staff. Each PA management authority or individual site develops and manages its own cadre, while the small core team of DWNP staff focuses on the management of priority PAs only. For example, the Johor National Parks Corporation, which manages the second-largest PA network in Peninsular Malaysia, has only one permanent staff position, with the rest of the Corporation's staff engaged on fixed-term contracts. As a result, technical and professional management capacities are difficult to retain. Basic patrolling, facilities, and management systems are generally in place, but more strategic elements of PA management including development of habitat and species monitoring and sustainable financing are inadequate, at the individual site level and largely at the State and National levels. A capacity assessment and capacity-building master plan was developed for DWNP in 1996, however not all of its recommendations have been implemented.

74. *Weak leadership and motivation of PA staff.* This was documented in the pilot Capacity Scorecards, and re-iterated in project development consultations. The current dilemma is that sub-national PA network directors are government employees with security of tenure. Since their appointments are rotational, and politically determined, there is a risk that PAs may not benefit from long term, energetic, dedicated, forward looking leadership. PA networks, and individual PAs themselves, will be 'personality-driven' in this sense. In contrast, most other PA staff, including management level personnel, are on fixed-term contracts with an apparent lack of motivation since there is no long term, career track prospect to this type of work. Part of the risk faced by PA managers is the high turnover of staff (and associated costs of re-training new staff) which reduces effectiveness and continuity of programmed activities. Moreover, some types of staff are prone to being recruited by illegal poachers due to their 'inside knowledge', which increases threats to biodiversity in protected areas.

75. *Lack of systems, policies and mechanisms for PA revenue generation or appropriate cost recovery:* The terrestrial PA networks in Malaysia (or individual sites within them) have gaps in implementing effective cost or revenue management systems. The initial Financial Sustainability Scorecard results of DWNP and JNPC indicate that visitor entrance fees and other charges are not systematically tailored or adjusted to account for operational costs, willingness-to-pay or other planning instruments. For instance, Taman Negara National Park generated USD 28,178 in 2009 which was paid into the respective State accounts.<sup>6</sup> In addition, USD 21,103 was generated through fishing activities for the three States. The fees for canopy walks, camera use and camping accrue to the Federal Government, which amounted to USD 139,407 in 2009. Through more appropriate pricing, the revenue could be increased significantly. This could be enhanced by diversifying tourism products which would contribute to local economy and job creation. In addition, tour operators and hotel owners who receive substantial revenue from tourism to Taman Negara do not contribute significantly to the maintenance of the park. The Financial Sustainability Scorecard results of DWNP and JNPC indicate that there are no specific guidelines at National or State levels for issuing tourism concessions at PA sites. Most of the State Forestry Department managed PAs are not open to visitors except State (forest) parks, thus do not generate revenue. For example, Pahang State Forestry Department received approximately USD 81,406 in 2010 from tourism and recreational related fees and income from private concession for Endau-Rompin State Park. However, the entrance fees of USD 33,333 in 2010, were collected and utilised solely by the private concession for the upkeep of the park cleanliness.

## BASELINE ANALYSIS

76. The baseline is the "business-as-usual" scenario that would take place during the next six years in the absence of the interventions planned under the project. Under the project baseline state, a range of activities relating to the management and expansion of PAs and the mitigation of threats posed by different factors in the PAs would be undertaken that would have positive impacts on PA management. In some cases, little action is expected to be undertaken without the GEF project.

77. *Expansion and upgrading of the PA estate:* As shown in Table 4 above, the Government of Malaysia is currently conducting an analysis of the conservation status of different habitats or ecosystem types of Peninsular Malaysia (approximately USD 35,000). This work will provide a key input to determine the existing gaps in the current PA system. Planning for realignment/expansion of the PAs will be the next logical step, however, this will require close coordination between and among PA agencies National and State levels, as each PA agency has already formulated its own PA expansion and upgrading plan. For instance, Department of Wildlife and National Parks has identified a wildlife corridor covering 15,000 ha in Terengganu which will be gazetted by the State Government of Terengganu, Forestry Department Peninsular Malaysia is in the process of gazettement two additional State Parks and Johor National Parks Corporation is planning to gazette another two national parks and two Ramsar sites. These plans will witness an expansion of over 20,000 ha of PA in Peninsular Malaysia in the next 6 years.

<sup>6</sup> The entrance fee of this flagship park is very low. Only RM 7 for adults and RM 4 for children.

Another potential vehicle for expansion of the PA estate is the National Physical Plan (NPP) which was compiled by the Federal Department of Town and Country Planning (DTCP) and approved by the Parliament in 2006. The NPP provides the framework for national physical planning, aiming to coordinate and guide land use at State and local authority levels. The NPP identifies the Central Forest Spine as the backbone of the Environmentally Sensitive Areas (ESA). The establishment of Central Forest Spine through gazettal of the area as a protection forest under the National Forestry Act is one of the policy measures. All Federal and State agencies are expected to plan the implementation, and the DTCP will monitor land use changes and application of the policy. With the upcoming support from the project on Improving Connectivity of the Central Forest Spine (IC-CFS) which was submitted for GEF-5 funding, new protected area of at least 20,000 ha state forests will be gazetted as ecological corridors to improve the status of biodiversity and ecological services within the three forest complexes - Belum-Temengor Complex, Greater Taman Negara - Main Range Ecological Corridor and Endau-Rompin Complex.

78. **PA classification and management standards:** Currently there is no uniform basis for establishing different types of PAs, nor are there expected management standards. Moreover, there has been no definitive list compiled of PAs. Previously, different attempts to list all the PAs in the country arrived at different numbers depending on their definitions of the PAs and level of thoroughness. The NRE and WWF-Malaysia, supported by DANIDA Biodiversity Component (funding of approximately USD 35,000), have drafted a Master List of PAs in Peninsular Malaysia. This provisional Master List will serve as an authoritative reference source for PAs, where each of the areas has been designated a PA management category in accordance with the IUCN classification system. This will also provide a basis for establishing PA management objectives and standards for each category across the PAs that are designated under different Federal and State legislation. Although the final version of the Master List will be officially submitted by the NRE to the National Biodiversity Council for endorsement, without GEF project intervention it is unlikely that the management standards will be implemented, scaled up, integrated and enforced throughout the PA networks under different agencies.

79. **PA performance monitoring and reporting:** There is no existing system of monitoring performance of individual PAs to evaluate how effectively each PA is managed to achieve national biodiversity objectives. The NRE and WWF-Malaysia conducted the Rapid Assessment and Prioritisation Methodology for Protected Area Systems (RAPPAM) in 2006, covering 18 Category II PAs including 5 PAs in Peninsular Malaysia. The Management Effectiveness Tracking Tool (METT) has also been used for three sites during the preparation of the project document (See Annex II). Currently, these kinds of assessments are only done on an *ad hoc* basis and under specific project contexts.

80. At present, the PA performance monitoring and reporting system remains instituted within the ministry and relevant PA agency. At the ministerial level, there is a National Park Advisory Committee chaired by the Secretary General at NRE that provides oversight on the management of national parks. At the agency level, each of the DWNP-managed PAs produces quarterly operational reports for the headquarters. The report does not elaborate on results-based or performance oriented management. On the other hand, FDPM has instituted a Committee on Management and Development of Amenity Forests and State Parks where all the park managers are required to report on the management performance of their State parks.

81. Overall, there is only nominal control by the Federal Government over PAs under the State agencies. The State forestry departments are guided by policies determined by the Forestry Department Peninsular Malaysia (Federal) and are required to prepare various reports. However, most of these reports pertain to the management of timber resources and there is very little emphasis on PAs. For the other categories of PAs under State control, there are no known reporting requirements to Federal agencies but NRE may, from time to time, request specific information from State PA managing agencies particularly for planning and reporting purposes, especially reports pertaining to multilateral environmental treaties / agreements, such as the UN Convention on Biological Diversity.

82. **PA financing:** The Financial Sustainability Scorecard assessment was completed for the Department of Wildlife and National Parks, Johor National Parks Corporation and Perak State Parks Corporation in 2010/2011, (reference Annex II of the Project Document) resulting in total scores of 49.8%, 44.4% and 40% respectively. According to the scorecard results, DWNP's annual operating budget for managing 35 PAs for 2009 was estimated at approximately MYR 16.1 million (about USD 5.4 million). This represents 25% of the entire DWNP operating budget, which is allocated by the Ministry of Finance, and is far less than the estimated minimum required operating budget of USD 14.06 million.<sup>7</sup> In the most recently-implemented 5-year Malaysia Plan (2006-2010), about MYR 62.3 million (USD 20.08 million) out of its total budget of MYR 131.6 million (USD 43.87 million) was allocated by the Economic Planning Unit (EPU) for infrastructure development for PAs, some of which is for State managed PAs. The average annual spending from the development budget under the Malaysia Plan has been approximately MYR 12.5 million (USD 4.17 million). In the 10<sup>th</sup> Malaysia Plan's (2011-2015) first rolling plan (2011-2012), MYR 70 million (USD 23.3 million) is allocated to infrastructure development of PAs under the management of DWNP, FDPM and JNPC. Eight per cent (8%) of the funding is for the DWNP- managed PAs and 92% is for the State-managed PAs.

83. The amount of funding (capital and operational) for State PAs from these various sources is not well documented with the exception of those States which have established State Park Authorities such as Johor National Parks Corporation and Perak State Parks Corporation. State forestry department budgets do not have specific budget lines for PA management, let alone for individual PAs. Based on the Sustainable Financing Scorecard for Johor National Parks Corporation (JNPC) in 2009, it had an annual operational budget of MYR 4.18 million (USD 1.39 million) from the State Government to manage its four PAs covering 58,489 ha., and MYR 18.68 million (USD 6.23 million) from the Ministry of Tourism for tourism infrastructure. The amount of the operating budget seems to meet the optimal management scenario which would require MYR 3.48 million (USD 1.16 million). However, the actual expenditure shows that as much as 83% of the operational budget goes to staff salaries, and another 12% to the office management costs. Only 5% goes to actual site PA management such as enforcement operations, park maintenance, etc. There is a great need for cost effectiveness in the utilisation of the operating budget.

84. Perak State Parks Corporation (PSPC) is also well below the South East Asia regional spending average on PAs and inadequate to manage its PA network. According to the financial scorecard assessment, Perak State Parks Corporation received operating budget of MYR 650,000 (USD 216,667) per year. In order to match regional norms, the PA authority would need to invest MYR 7.02 million (USD 2.34 million) annually in its sub-national protected area system, which is more than 10 time increase of its current annual operating budget. The financing needs for the three PA networks are summarised in Table 3. Details of the financial scorecards can be referred to in Annex II.

Table 3: Financing Needs for DWNP, JNPC and PSPC PA Networks<sup>8</sup>

PA Network	PA network size (km <sup>2</sup> )	Current Management Costs		Optimal Management Costs - Staff + Operational Cost	Financing Gaps
		MYR	USD	USD	USD
DWNP	7,100	16,100,000	5,366,667	14,055,000	8,688,333
JNPC	585	4,180,000	1,393,333	1,160,000	-233,333
PSPC	1,180	650,000	216,667	2,335,000	2,118,333

<sup>7</sup> Based on the benchmark from South East Asia which the average of 196 staff and a budget of USD 1,000 per km<sup>2</sup> used by the EPU under the DANIDA supported project to estimate PA financing gap. Exchange rate used is USD 1 equals to MYR 3. More detailed work is necessary to identify the gaps, taking into the account different skills required of the staff for optimal management.

<sup>8</sup> These figures exclude infrastructure investment costs. The calculation is based on an optimal scenario of 196 staff and a budget of USD 1,000 per km<sup>2</sup> used by the EPU under the DANIDA supported project and an estimated average annual remuneration for park staff of US\$ 5,000 year. Exchange rate used is USD 1 equals to MYR 3.

85. The above estimate is crude and need further investigation, taking into consideration, for example the professional levels of the required staff, the skill set they would require for optimal PA management and actual PA specific management needs. There have been no systematic efforts towards identifying and quantifying the true costs of PA management in each PA. There also have been only limited efforts to develop a sustainable financing plan for the PA system, and explore different potentials for increasing available financing for PA management including creating payment for ecosystems (PES) mechanisms to increase PA revenue. Without the GEF intervention, this situation is likely to continue, and there will be no substantial relative increase in funding by the Federal government to sub-national PA networks. This provides no incentive system for States to gazette new PAs, as well as to improve ecosystem representation within the national PA system. In addition, the relationship between resource allocation and management effectiveness across the national and sub-national PA network will continue to be undefined, resulting in further reluctance on the part of the Federal or State governments to maintain or increase levels of investment in the PAs. What is required are measures designed to increase Federal and State government confidence that effective management is indeed taking place, and that PAs provide significant, long term socio-economic value.

86. Among the manifold tasks of the project will be the establishment of baseline information on average costs of PA operations. A parallel research project is ongoing with support from the Economy and Environment for South East Asia (EEPSEA) programme<sup>9</sup>, which assesses resource and financing gaps of protected areas in Vietnam, PR China, Thailand, Cambodia, Indonesia, Lao PDR, the Philippines and Malaysia. The research study covers PAs within IUCN and those without; with or without revenues, fee systems, whether managed by national or local (sub-national) governments. As part of the analysis, the project will adopt the indicators of internal and external pressure developed by Laplante and Lee (2009) with some variations. External and internal “pressure indicators” will be normalized by dividing the indicator value by agreed-upon units of measure. Resource gaps will be analyzed on the basis of staffing and operational budgets, and financing on the basis of user and entrance fee structures and levels. The Malaysian segment of this regional research project is entitled “Analysis of Fiscal Gap and Financing of Malaysia’s Protected Areas”, and has been endorsed by NRE. The study will provide information on average staff/1000 ha and average operational expenditure/ha of PAs of the PAs which participated in the survey. To date 44 PAs have provided information in the context of a survey. These are managed by 10 different agencies, of which two are NGOs. The total area of PAs covered by this study is 1,673,582.27 ha (approximately 86% of total PAs area). The 44 PAs provided detailed information for staff, and 28 PAs provided PA-specific information on operating expenditures. This research attempts to answer the following questions: “Is it possible to estimate average staff and also operational expenditure for managing PAs in Malaysia?” and “If yes, what are the implications of using these data in the context of a national policy dialogue?”

87. ***Institutional and individual capacity for PA management:*** Given the number of PA networks and PA management agencies existing in Malaysia, coordination between the agencies will be a prerequisite for a coherent and effective national system of PAs. The DFPM was absorbed by the NRE in 2004, which is a positive step forward. Although a joint task force was established between DFPM and DWNP to enhance enforcement in PA sites, there is no joint forum for planning management and development of PA networks, and for monitoring and evaluation of the national PA system. The initial capacity development scorecard assessments conducted in preparation for this project reveal that the national and sub-national PA systems managed by DWNP, JNPC and PSPC do not have sufficient human capital and multi-functional skills in management, socio-economics, business and financial planning. Furthermore, the current civil service system offers limited incentives to attract and retain quality profiles that complement existing capacities and competencies at headquarters and sites. This includes the long process of hiring new staff, which can be months or even years to fill the vacant posts.

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<sup>9</sup> EEPSEA is funded by the International Development Research Centre (IDRC) Canada, and the Swedish International Development Agency (SIDA).

88. DWNP's nine divisions have 230 staff. The Protected Area Division has 5 staff employed at the headquarters and 191 staff employed at the protected areas. Each PA is managed by a PA administration led by managers with varying degrees of capacity and leadership skills. The manager is afforded the ranking of either director or superintendent depending upon the size of the PA administration. All the PA staff, including rangers at the PA sites, undergo a range of technical training courses at the Institute of Biodiversity to match their job requirements. Nevertheless, the Department of Wildlife and National Parks is facing difficulties in addressing the major gap in professional staffing for planning, management and sustainable financing for PAs.

89. The total number of JNPC staff is 99 with about 25 staff stationed at the central office, 67 staff located at the four protected areas, and the rest at the Ramsar sites. These personnel are employed on an annual contractual basis. Part time workers are also hired to complement existing activities. Currently, the corporation is considering efforts to offer permanent positions to contract staff as a means to overcome the staff retention problem.

90. PSPC is a relatively new PA agency having been established in 2003. Currently, it has very limited number of staff for park management and enforcement; 24 personnel of whom 13 are permanent and 11 are on fixed term contracts. This includes 17 rangers that are responsible for the vast area of Royal Belum State Park. There is need to strengthen the core competencies of personnel as very few professional PA officers are available in the organisation, in addition to complementing the existing personnel with others that have different skill sets.

91. **Site-level PA management:** In terms of management planning at site levels, a PA management plan is not required by law. As a result, only a handful of PAs have management plans, and even those that are in place are in need of updating. In the 1990s, a DANIDA funded project supported the development of a model management plan for the Krau Wildlife Reserve. However, there has been no clear attempt to promote this as a model for development of other PA management plans. Although most of the local communities in and surrounding the PAs are involved in the subsistence and tourism activities, their involvement in the site-level PA planning and management is minimal as it is not explicitly described in the management plans. This situation will likely to continue unless transformative changes are made in the current site-level PA management.

92. There have been previous attempts at establishing a training system for PA management authorities, most notably an ecotourism and protected area management programme for staff of the Sarawak Forestry Corporation under collaboration between Universiti Malaysia Sarawak and the Lincoln University of New Zealand. However, the sustainability of such a programme was a major issue without the involvement of other PA management authorities and long-term support from the Federal government. Although the Institute of Biodiversity (IBD) is charged with providing training to the DWNP staff, there is no harmonised, comprehensive approach towards capacity building for PA management that will assist PAs, now at the forefront of transformation, to examine new models and new approaches to improve effectiveness and ensure financial sustainability. Moreover, it is difficult to find and retain good training professionals, and ensure that technology and equipment are sufficient to support the mandate of the institution. As a result of the current situation, PA staff will continue to be under-skilled as well as sub-optimally motivated. With chronic underfunding, and limited opportunities for capacity building and long term career track development for PA staff, there will be continuing constraints to trying to bring in new people with new sets of skills and approaches. Part of the project strategy, articulated in the sections below, will be to strengthen the role of the Institute of Biodiversity, within an overall "national mechanism", and to be a key provider of technical assistance for PAs in Peninsular Malaysia.

93. Without this GEF support, the national PA system will remain fragmented and will continue to fail to achieve its full potential, with global biodiversity conservation through PA system management and financing in PA networks in Malaysia remaining at basic levels. The Federal Government will not be able to provide adequate support to the States to enhance management effectiveness and financing of PAs, in order to develop a truly effective national PA system. State governments will continue to see PAs as costs but not realize the benefits that can be accrued, including economic planning and finance units of Federal

and State governments. Under the baseline, PAs will continue to be under-resourced and managed in an *ad hoc* fashion.

## **PART II: STRATEGY**

### **PROJECT RATIONALE AND POLICY CONFORMITY**

94. This project will directly contribute to GEF-4 Strategic Objective 1: To Catalyse Sustainability of Protected Area Systems. The project will be able to contribute to this SO by consolidating and strengthening the enabling planning and institutional framework for the expansion and effective management of terrestrial PAs; developing a coherent national PA system across the PA networks under the jurisdiction of different agencies; strengthening the capacity (strategies, tools, mechanisms, knowledge, skills and resources) to support the operational management and financing of PAs. More specifically, the project complies with the eligibility criteria for the Strategic Programmes (SP) on Strengthening Terrestrial Protected Area Networks. The project will support policy and institutional strengthening activities and demonstrations to ensure that the national PA system has plans and actions for long-term effectiveness and financial sustainability. In line with SP1, the project will ensure development of management/business plans that include diversified funding sources and cost effective use of resources. The project will also strengthen the partnerships between PA authorities at Federal and State levels, NGOs, communities and the private sector to achieve the long-term sustainability of the PA system. It will also take steps to address gender equality concerns by ensuring the inclusion of women as key stakeholders in consultation and human resource development activities, in addition to exploring issues related to rights and access to PA resources. Furthermore, the project will directly contribute to the implementation of the Programme of Work on Protected Areas (PoWPA), in particular: Goal 1.1: To establish and strengthen national and regional systems of protected areas integrated into a global network as a contribution to globally agreed goals; Goal 1.4: To substantially improve site-based protected area planning and management; Goal 1.5: To prevent and mitigate the negative impacts of key threats to protected areas; Goal 3.1: To provide an enabling policy, institutional and socio-economic environment for PAs; Goal 3.2: To build capacity for the planning, establishment and management of PAs; Goal 3.4: To ensure financial sustainability of PAs and national and regional systems of PAs; Goal 4.1: To develop and adopt minimum standards and best practices for national and regional PA systems; and Goal 4.2: To evaluate and improve the effectiveness of PA management.

### **FIT WITH THE UNDP COUNTRY PROGRAMME**

95. This project further complements the Outcome 3 of Country Programme Action Plan (CPAP) between UNDP and Government of Malaysia (GoM) (2008 – 2012) which is to improve quality of life and enhance sustainable development through environmental management of biodiversity and natural resources. UNDP has a long history of supporting national capacity building activities to ensure effective implementation of policies and programmes in the area of biodiversity conservation and management; and mainstreaming of environmental considerations into the planning and development of non-environmental agencies. Through this, UNDP will provide the key necessary resources and technical assistance in the establishment of a performance-based financing structure to support effective protected area systems management in Malaysia.

### **RATIONALE AND SUMMARY OF GEF ALTERNATIVE**

96. The project will directly target the previously described barriers through a series of critical, priority steps aimed at enhancing PA system effectiveness by moving forward in the direction of the above-described long-term solution. The global and national significance of the PA system's biodiversity, its recognized value to the national economy, the nature and severity of ongoing threats to the system, and the persistence of important barriers limiting its effectiveness have led the Government to prioritise the present project for GEF support. By enabling the efficient and sustainable functioning of the national and state level PA management apparatus, the project will help to ensure the long term effective management of globally significant biodiversity resources. Greater institutional capacity will significantly enhance Malaysia's compliance with international conventions and commitment, thereby improving the country's contribution to global conservation efforts.

97. The focus of the project is to: i) establish the foundations for a coherent national PA system with uniform criteria for establishment and standards for management; ii) create a national structure to support and financially sustain a PA system in Malaysia. In order to ensure cost-effectiveness, and to promote improvements in management and conservation status, the system will link the provision of financial support to the quality of management and conservation value of each site. By linking Federal and State Government support to the achievement of specific conservation indices rather than the jurisdictional authority to designate and manage PAs, this approach will allow the Federal Government to meet its global responsibilities for PA systems management and conservation, without infringing on State Governments' constitutional authority over natural resources.

98. The systemic scope of the project covers the terrestrial PAs in Peninsular Malaysia, including the Permanent Reserved Forests (PRFs) with biodiversity and ecosystem services conservation objectives. However, the performance based financial support system will be piloted for terrestrial wildlife PAs in Peninsular Malaysia, comprising 35 DWNP managed PAs, 4 JNPC managed PAs, 2 PSPC managed PAs covering 886,000 ha. The system will be nonetheless designed to be extensible to Marine PAs and PRFs, and all other forms of PAs in the country. It will also provide lessons and models for other countries in South East and East Asia that are dealing with similar types of biodiversity challenges.

### GOAL, OBJECTIVE, OUTCOMES AND OUTPUTS/ACTIVITIES

99. The **goal** of the project is to *ensure that protected areas in Malaysia are underpinned by adequate financial and technical resources, within an overall system that ensures representativeness and nationwide coherence, safeguarding globally significant biodiversity and playing an essential role in the Nation's sustainable development.*

100. To help move towards this goal, the project's **objective** will be to *establish a performance-based financing structure to support effective PA systems management.* Interventions to achieve this objective are structured into three outcome components, designed to address barriers at the national, sub-national network and site PA levels respectively:

**Outcome 1:** *Systemic and institutional capacities to manage and financially support a national PA system*

**Outcome 2:** *Technical and institutional capacities to manage sub-national PA networks, including capacities for effective financial management*

**Outcome 3:** *Effective site-level PA management*

101. The end-result of this investment will be that Malaysia has established the foundations of a comprehensive, effective and well-resourced system of Protected Areas, rather than just a network of fragmented, stand-alone parks and reserves. Such an integrated system will be better able to conserve the globally valuable terrestrial biodiversity resources, improving overall representativeness by providing incentives for new areas to be put under protection and by ensuring that available financial and technical resources are utilised in the most effective and results-oriented fashion. The project's component, outcomes and outputs are described below.

#### **Outcome 1. Systemic & Institutional Capacities to Manage and Financially Support a National PA System**

102. This component will address barriers at the national systems level to improve management effectiveness and financial sustainability of PAs. The main strategies at the national level in achieving the project objective are three fold:

- 1) Creation of coherent, representative and national PA system with national criteria for establishment of the PAs and management standards for different categories of PAs
- 2) Establishment of a performance-based Federal-State financial transfer system to provide incentive for State level PA authorities

- 3) Identification of PA's economic values and creation of dedicated budget lines for PAs in annual budgets and a 5-year development planning framework.

***Output 1.1: Policy framework established in support of development of a national PA system, with uniform criteria for PA establishment and management standards***

103. The most fundamental obstacle to effective management of the PA system in Malaysia is there is no single national system existing in the country. Instead there are a number of PA networks managed by different agencies at the Federal or State levels, using different legal instruments as a basis. Under this output, the project will follow up on policy review and analyses that prepared the groundwork for the establishment of a national policy framework for all the different PA networks under the same umbrella. The policy analyses previously conducted have provided insight and recommendations for the gradual development of a framework which will be built on a standardised set of national PA categories based on IUCN criteria agreed by DWNP, FDP and other PA agencies. For each category of PA, uniform criteria for establishment, and a specific set of management performance and biodiversity conservation criteria will be drawn up, to ensure that management of these sites is aligned with global standards. In addition, a standard approach towards management and development planning and a monitoring and evaluation (M&E) regime for different PA categories will be developed, including a standard format for PA management plan.

104. Complementing the on-going process of developing the Programme of Work on Protected Area (PoWPA) implementation plan as part of the process of revising and updating the National Biodiversity Policy, the project will ensure that the new Malaysian Biodiversity Policy will provide the overarching framework for establishing the national PA system. A range of PA governing acts such as the National Parks Act, Wildlife Conservation Act, National Forestry Act and relevant State Park Corporation Enactments will be harmonised to operationalise the uniform criteria for PA establishment and management standards. Establishment of joint-enforcement programmes involving the relevant PA management agencies will also be supported.

***Output 1.2: Performance measurement indices developed and adopted for (i) individual PAs and (ii) overall PA networks with identified targets for financial requirements***

105. The Management Effectiveness Tracking Tool (METT) which is part of the GEF BD-1 Tracking Tool, provides a useful basis for gauging the performance of individual PAs. It is a simple, user-friendly, self-assessment tool for measuring progress toward achieving management effectiveness of individual PAs. It collects important baseline information on perceived threats, the gravity of the threats and insights on root causes. It is also useful in that, with the right stakeholder participation, it allows for interactive self assessment. However, a critical limitation of the tool is that it is not designed to compare the performance of different PAs and it is weak in assessing outputs and impacts of the PAs in relation to biodiversity health and conditions. It is also prone to subjectivity on the part of assessors. The METT could be strengthened in a number of ways. First, to have the process facilitated by a professional – and in this way it would be a “guided self assessment”, which would also benefit from a supplementary guidebook on “how to” perform the METT assessment. Second, to ensure that governance principles (such as functionality, transparency, accountability and participation) are embedded in the design and are an integral part of the process. Third, to ensure that there is a common understanding, or “levelling off” of expectations among all the parties. This will be essential in order to make sure that questions and responses are clearly understood. For example, the term “tiger” in some areas may refer to one species, whereas in other areas, it could refer generally to “big cats”, and include such species as the clouded leopard. Fourth, threats analysis and other technical information should be supported by science-based, as opposed to anecdotal, evidence only. Fifth, more attention needs to be paid to the “comments and explanations” and “next steps” parts of the assessment. Providing a numerical score would give the appearance of subjectivity, if there are insufficient qualifying explanations. Defining very clearly the “next steps” would be the basis for prioritizing needs, issues and concerns, and making them actionable from a management perspective.

106. Building on the METT and other existing tools such as the financial sustainability scorecard, the project will support development of a performance measurement system that is to be used for the

performance based incentive establishment. Through an extensive stakeholder consultation process, a set of indices will be developed and adopted for individual PAs and overall PA networks to quantify corresponding amounts and types of financial support to be provided. It will be essential to ensure that the indices are: clearly measurable, verifiable, fair and equitable. Some of the possible qualitative indicators would include, but not be limited to:

- a. governance processes are defined and operational
- b. protected area is legally gazetted
- c. boundaries marked and supported by GIS and survey data
- d. management/ business and finance plans or strategies validated / approved and in place
- e. plans are implemented by trained, qualified, results-driven professionals
- f. plan targets are clearly identified with associated performance indicators and monitoring systems
- g. funding committed and flowing to support specific activities identified in plans
- h. functional organization in place with appropriate management and technical staff complement
- i. evidence of systematic enforcement activities ongoing
- j. M&E plan developed (as part of larger management plans) and being implemented, noting that the M&E plan should include a set of tools such as biophysical resource monitoring, community perception surveys etc. Steps will be taken to 'institutionalize' M&E activities at all levels throughout the PA system.

107. Quantitative indicators, would include, but not be limited to:

- a. area (in ha) under improved management
- b. number of persons trained in specific and relevant fields
- c. % increase in real terms for PA networks based on aggregate funding from Federal and State Government sources
- d. % increase from baseline on financial sustainability index for PA networks
- e. average % decrease in the financing gaps of the PA network agencies, in real terms through operationalisation of financial management and revenue diversification models across the sites
- f. average % increase of the capacity development indicator score for target sub-national PA networks
- g. % increase in METT scores of individual PAs
- h. % increase in annual gross revenue for individual PAs
- i. % increase in length of park patrolled per day
- j. % increase in frequency of patrols per month
- k. % increase in percentage of area patrolled per month
- l. % increase in number of illegal activity cases compounded or convicted per year.

108. Other sets of tools will also be developed and integrated into the PA management system. Principal among these will be a monitoring and evaluation (M&E) system, which will be directly linked to the integrated information management system (Output 1.3) and performance assessments for financing. In this connection, the project team will consolidate and internalize a set of performance-based indicators for "improved management effectiveness".

***Output 1.3: PA information and knowledge management system established to support the national PA system management***

109. In support of Output 1.1 and 1.2 (and also linked to selected outputs below), the national PA information management system will be established within the NRE. Such an information system will include a number of data sets; including the list of PAs and their vital statistics, information on wildlife and ecosystems and their trends, PA management plans with maps, management / business plans, law enforcement and other strategic documents and reports, as well as other information necessary for practitioners and decision makers. Information needs for PA management authorities, State agencies, and

Federal agencies will be assessed (for instance for decision-making on funding from 5-year development plans, transfers of funds from Federal to State agencies, overview of key performance indicators at site, State and national levels, etc). These will include information needed for reporting on status of implementation of plans and policies at State, and National level. It should also include relevant information which needs to be included in the National Report on Implementation of CBD and reporting for the Programme of Work on Protected Areas (PoWPA). It will also be essential to link the information system with other relevant systems within other ministries, departments and agencies (eg tourism, statistics, FRIM etc). The system will need to be developed so that data can be captured at the site level, the network level, the State level and roll up to a national data base. After verifying the information needs, the information system will be developed and tested in target States before it can be scaled up. Strategies and actions for data capture and collection, maintenance of the information system, ensuring role-based access to information, web-enabling and other types of functionality will all need to be determined.

***Output 1.4: Budgetary framework created to increase Federal Government financial support for PAs, allocated on the basis of performance***

110. This output will develop a budgetary framework for allocating the funds to be transferred to the State Governments or state level PA management agencies on a performance basis for PA management purposes. The financial support package will employ a range of criteria for setting of levels of financing, including baseline annual management costs, performance-based increments against targets or benchmarks for management effectiveness, matching grants for revenue-generation etc. Financial support would be provided for a variety of purposes, including capital expenditure and operating budget support for specific sites, as well as grants for policy, advocacy and planning activities at the State-wide level. The rationale behind this output is that by linking the availability of financial support to the achievement of specific performance benchmarks, it will act as an incentive for PA management agencies to improve PA management thus ensuring that the overall effectiveness of the national PA system will increase over time, while maximizing the conservation benefit achieved for the resources available.

111. The project will support creation of the enabling government budgetary framework at Federal and state levels. This will involve improvement in the fiscal framework so that protected area management will secure a clear budget line within the federal system of accounting and budgeting to ensure increased funding for PA management. This will need to be supported by convincing arguments related to the PAs roles in national development. Currently, increase the budget for protected area management would be considered as incurring the "opportunity cost" (in the form of reduced funding for other sectors, such as health and education). There is a need to fundamentally change this perception.

112. In order to realise this, in tandem with output 1.7, the project will support quantification of the role of PAs in national and state economies and development, through demonstrating in clear and tangible terms the benefits of the PAs to economic growth, income generation and employment. In addition, a decision support system should be set up to be able to generate information on economic growth, income and employment among other benefits (direct and indirect), targeting the policy makers and leadership within the civil service. Using the results and tools, social marketing and related communications should target key stakeholders in the development planning process and mainstream messages that combine threat reduction and barrier removal with the multiple gains / benefits from strengthened PA effectiveness – with emphasis on the gains from economic growth, income generation and employment. Demonstrable increases in tax and related revenue to the Federal Government, and/ or fees and licenses for State Governments, from improved PA effectiveness will increase the likelihood of funds being re-invested in the same sector. This concept of "ring fencing" of conservation-linked financing is gaining momentum in many countries across the region.

***Output 1.5: Structures and processes created for NRE to provide performance-based operational and capital grants to PAs on the basis of performance against national indices, and other relevant criteria***

113. At present the NRE, which is an umbrella Ministry that comprises a number of departments, does not have the authority to directly provide operational or capital grants to PAs. This resides with the DWNP, Department of Marine Parks and to a lesser extent, the Forestry Department of Peninsular Malaysia. For the development budget, funding is drawn through the EPU. The project will create a

structure within the NRE to provide performance-based operational and capital grants to PAs, regardless of jurisdictional authority, on the basis of performance against national indices and other relevant criteria. The project will support expansion of the criteria by which “development” budgets are determined, to include allocation for the performance-based payments. In close collaboration with the EPU, the project will explore ways for improving the EPU criteria for development/capital grant budget. Similarly, the project will work closely with the Ministry of Finance to make necessary modifications to its criteria for operating budgets.

114. The project will also support the establishment of the conservation trust fund (CTF) under the jurisdiction of the NRE, which will also be one of the principal financing sources for the performance-based payment. Although the CTF would finance a range of biodiversity conservation activities, there will be an earmarked portion of the funds reserved for strengthening the PA management. An ‘earmark’ is loosely defined as a legislative provision that guarantees federal expenditure on specific types of approved projects, or guarantees exemptions from specific types of taxes or mandated fees. While sometimes viewed as an inefficient allocation of resources that has the potential to benefit institutional vested interests, “earmarking” through a CTF mechanism may fill gaps in situations where conservation priorities are not adequately and sustainably funded.

115. Based on the existing study of the Malaysian Conservation Trust Fund establishment undertaken by the EPU-DANIDA Project in 2009, the project will support necessary steps to establish the fund to ensure: a) a secure and stable source of funds and a quantum of funds to have leverage over additional resources; and b) a dedicated, supporting management structure, which embraces a social marketing approach in its programming. Any CTF in order to be successful will need to be a) properly designed, b) adhere to governance processes (functionality, transparency, accountability and public participation), and c) be professionally (and effectively) managed. The possible financing sources to be investigated are: revised park entry fees (with raised fees or introduction of differential fee structures), tourist fees at hotels, entry or departure fee from the country. The National Biodiversity Centre is expected to house the new trust fund.

116. Lessons learned in the establishment of conservation trust funds will be fully utilised. These include:

- a. Government budget allocation processes are not optimally coordinated between various institutional jurisdictions – horizontally, between ministries and agencies, and vertically, between States and Federal Governments. CTFs would provide opportunity to prioritize planning for the objective of the fund;
- b. CTFs that are too focused may be difficult to use for intentions not specified in the original Deed of Trust; moreover a narrowly defined fund may not attract interest or support from larger investors (such as a financial institutions, investment funds or development banks).
- c. If there are CTFs that are underutilized or sub-optimally managed, or if it is believed that management effectiveness can be enhanced, it is possible under the Financial Procedures Act to merge CTFs;
- d. CTFs provide a new, stand alone institution with its own governance mechanisms, based on participation of stakeholders. However if registered under the Financial Procedures Act, will be subject to administrative controls. The nature of the fund definition, use, registration and governance need to be carefully considered in this regard;
- e. CTFs serve as a vehicle to receive funds from a range of sources, public and private, and as such, strategies for mobilization of resources would be optimized more effectively.

117. The primary thrust of activities under this Output will be to gradually internalise the performance indices developed under Output 1.2 as a way to determine the eligibility of PAs to receive transfers of funds from the Federal Government. The amount of funding to be provided to PAs should be based on attributes of PAs which could include clarity of boundary demarcation, the existence and use of park management and business plans, and the level of law enforcement efforts, and adequate staffing for critical activities. However, having just a performance based system may result in preventing PAs that are facing

severe budget constraints and challenges in achieving management effectiveness from accessing the required funding to remedy their problems. Therefore a parallel funding mechanism should be in place to ensure that those PAs that are currently experiencing huge fiscal gaps receive “progress acceleration” funding to meet the minimum performance criteria. Fiscal gaps are likely to be correlated to indicators such as: a) area gazetted (for instance between 500 and 1999 ha, between 2000 and 20,000 ha and greater than 20,000 ha); b) number of visitors per 1,000 ha; c) length of hiking trails per 10,000 ha; and d) population within 5 km radius per 1,000 ha. In addition, the performance linked incentives should also take into account steps taken by PAs to improve their financial sustainability in order not to discourage local State-level initiatives. For instance, Federal financial transfer could be matched with the increase of revenues from entrance fees and/or co-funding allocations from State governments.

***Output 1.6: A national mechanism established for periodic independent review of PA performance and conduct monitoring and evaluation in relation to grant allocation methodologies***

118. In order to implement the PA performance monitoring and incentive finance transfer system, this output will establish a national coordinating mechanism for monitoring the performance of PAs. The mechanism would consist of a network of linked institutions and led initially by the National Parks Advisory Committee, and subsequently by the National Biodiversity Centre (NBC) hosted within the NRE, which is expected to be established based on the November 2009 decision of the National Biotechnology and Biodiversity Council. The project will first facilitate the establishment of a working committee comprising all PA agencies and stakeholders. The role of the committee is to provide guidance on how and what needs to be carried out for the independent benchmarking and monitoring of PAs, including the refinement of the proposed national performance criteria. The project will support the formation of this coordinating body, and also help develop the framework and procedures for independent assessment of PA performance and grant allocation calculations to ensure that allocations maximise conservation value per dollar.

119. Based on the lessons learned globally for successful performance based payment establishment, the project will ensure that the independent assessment of the PA performance and grant allocation process are objective fair and equitable. Development of disincentives for non-compliance should also be investigated, to further motivate PA management performance enhancement. As part of the “coordination mechanism” the Institute of Biodiversity (IBD), within the DWNP, will also play a pivotal role. In this connection there will need to be synergies developed between the National Biodiversity Centre and the Institute of Biodiversity, where the latter can serve as one of the providers of technical assistance and provide support services to PAs.

***Output 1.7: Capacity of Federal EPU and MoF is strengthened to ensure sustainable financing of PA management is addressed in the annual budget***

120. In order to realise the long-term performance based fiscal transfer system, there is a need to secure commitment from the Federal Government to maintain or increase its current investments in biodiversity conservation and PA management. This output will support capacity development of the EPU and MOF in order to ensure that the need for sustainable financing of PAs is taken into full consideration in annual budgets and in the 5-year development plans. To make an increased investment in PAs justifiable to the Federal Government, an economic valuation exercise will be conducted by EPU and MOF to clearly document the Total Economic Value (TEV) of the PA system, capturing both direct and indirect-use values as well as non-use values of the PAs, including provision of ecosystem services such as pollination and water provisioning/regulation that have a direct implication for other economic sectors. Staff in the Federal EPU and MoF in 2009 received some training in cost benefit analysis (CBA). Efforts will need to be taken to ensure that capacity building is relevant to their day to day operations and that retention concerns are addressed.

121. As part of a linked initiative, an ecosystem valuation exercise will be conducted in Pahang and Johor, and the aggregate value of the national PA system will be estimated most likely using a TEV approach. The notion of total economic value (TEV) defines the degree to which a good or service satisfies individual or group preferences. These are expressed in terms of utility, measured by the amount

of money an individual is willing to pay for a good or service or the amount of money an individual or group is willing to accept as compensation not to use the good or service. Direct use value is most commonly determined for (non environmental) goods, and also some natural resources, for example, crude oil. Other natural resources are also valued for indirect use, which can be one part of their overall worth, for example, lakes, rivers, oceans, forests etc, which have multiple use values (e.g., recreation, food provision, shelter, energy etc.). Many environment-related goods and services also have non-use values. Examples of non-use values would include the role forests play as carbon sinks and in the prevention of soil erosion; or the role of wetlands, which offer flood control and contain nutrients and sediments. Environmental economists and other practitioners try to assess the relationships between, and elements of, this total value. Using the results of the economic valuation, awareness raising activities will be supported, targeting decision makers through production of information materials, encouraging Parliamentary dialogue and greater public understanding.

122. Environmental economics is considerably more complicated however. The notion of TEV actually serves as a framework within which a number of different ecosystem valuation tools can be applied to different types of circumstances by different types of actors. While it is not realistic to expect EPU and MoF staff to be trained in all these techniques, it would be of benefit for them to have an understanding of their applications – particularly because this language and data will be increasingly used in proposals for development funds. The wider range of ecosystem valuation tools, such as contingent valuation method, natural resource damage assessment etc, will also be used in capacity building for Outcomes 2 and 3, and many of these are site and situation-specific. What needs to occur is a greater systems-wide understanding of ecosystem valuation.

123. This output will also include capacity building activities at the national and sub-national level such as introduction to options for sustainable financing, documentation of best practices, preparation of guidelines, study visits and participation in international conferences and meetings. These will be essential to ensure that key EPU, MoF and State EPU officers have sufficient exposure and orientation to PA management and related financing. Using the economic valuation study and the PA management plans (including business/financing plan), this output will flow into discussions concerning the creation of a dedicated budget line for PA management/biodiversity in the 5-year development plans. The creation of this budget line will ensure the sustainability of financing for PAs in 5-year plans.

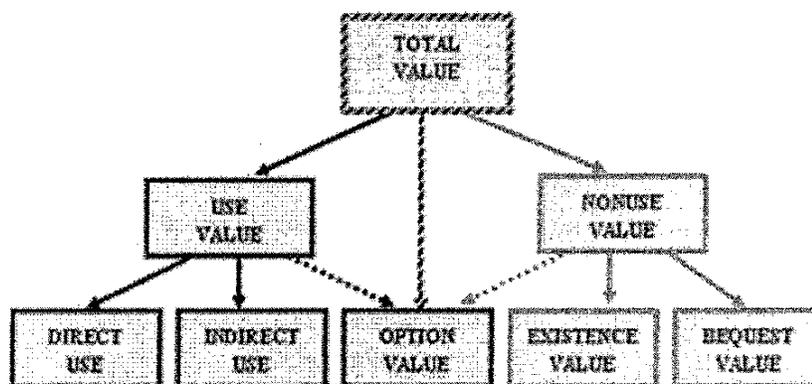


Figure 4: Components of Total Economic Value

Source: <http://www.eoearth.org/>

#### Outcome 2. Technical and Institutional Capacities to Manage Sub-national PA Networks, Including Capacities for Effective Financial Management

124. This Outcome targets improving the technical and institutional capacities at the PA sub-system level to ensure that individual wildlife PA networks are planned and managed effectively. The intent here is to strengthen the sub-PA network capacity to be able to meet the management standards set under Outcome 1 so as to decrease funding gap of the PA network. Three sub-national networks will be targeted; namely DWNP, JNPC and PSPC.

125. A particular focus of this component will be to strengthen the economic and financial planning capacities for enhancing PA performance, by ensuring that environmental economics approaches and capacities are more fully integrated into planning and management. This component will also strengthen the integration of the PA networks into broader landscape- and economic development planning processes at the State levels, while also improving trans-boundary (inter-agency) PA planning and management coordination. Essentially, the sub-national PA authorities should be able to accurately determine the cost structure of managing their PA networks, and how benefits (and co-benefits) will be derived for State development. Interventions will also enhance the cost-effectiveness of the PA networks by strengthening management capacities, reducing overlaps and redundancies, and achieving economies of scale in training, technical support and infrastructure. By strengthening the institutional capacities of the sub-national PA networks (particularly in the area of financial management and revenue generation) this component will position the PA networks to maximise potential revenue streams from their existing PAs, and to better leverage the performance-based financial support being provided at the national systems level under Outcome 1.

*Output 2.1: PA network financing plans developed, incorporating strategies for revenue diversification for PA networks*

126. While there may be an inclination to assume that the PA networks should develop long-term strategic management plans on their own impetus, this is highly unlikely based on the results of the 2010 Capacity Scorecard assessment. Perak State Park Corporation (PSPC) is in its nascent stages with a strategic management plan recently under development. The JNPC does have a *bona fide* strategic management plan, however it was developed in 2000, and requires revamping and capacity building for a new period of implementation. Plan implementation by JNPC was considered weak.

127. In view of the above this output will support the development of long term management plans for the three PA networks, which will be thoroughly co-financed through counterpart contributions. In tandem with the strategic planning activity, the project will support the development of the PA system financing plans for the three target PA networks, which will be aligned with the vision, direction and priorities articulated in the strategic management plan. These financing plans will then be integrated into a wildlife PA system financing plan, in order to have a single plan which the country will pursue to achieve the financial sustainability of the wildlife PA system. This single financing plan will be implemented jointly by the PA agencies and the federal agencies such as the NRE and EPU.

128. Elements of the plan would include: a) basic and optimal costs of PA system management; b) economic and market overview, c) competition analysis, d) business development strategy, e) financial analysis and resource requirements, f) investment priorities, g) mapping of sources of finance, h) revenue generation strategy. As most of the PA networks do not have all the necessary skills and resources to develop and execute financing plans, a combination of capacity-building and use of short term technical assistance will be considered. The exercises will focus on the mechanics of financing plan development, approaches to conservation finance, and further emphasize two key aspects of the financial planning process: a) a financial analysis that identifies funding needs and gaps, b) a pre-selection and analysis of different financial mechanisms, and an understanding of the legislative and regulatory framework for their implementation. The three PA network financing plans will be developed simultaneously to ensure maximisation of cost effectiveness of PA operations, through collaboration between individual PAs and/or networks, as well as possible joint opportunities for cross subsidy and revenue generation.

129. The financial analysis related to business plan development will be an in-depth investigation of the current financial situation of PAs and estimation of the minimum and optimal financial needs of PAs. The analysis will be management oriented, in other words, based on actual management needs, such as law enforcement, research and monitoring, tourism management, human wildlife conflict mitigation, park

neighbour relations, and environmental education. The needs for different categories and types of PAs (for instance size, location, tourism potential and development pressures) will be investigated. The estimated resource needs will be used as benchmarks, to estimate the fiscal gap of each PA to achieve the targeted level of effectiveness. This output will be closely integrated with Output 3.2 which supports individual PA business planning.

***Output 2.2: Policies and guidelines for PA revenue diversification and retention institutionalized in the targeted PA sub-network agencies***

130. There has been considerable prior work done on PA financing in Malaysia which can feed into the discussions on management and financing plan development. Most of the studies to date have policy implications and provide guidance on some specific financing mechanisms, such as the environmental user fee and conservation trust. This output will provide internal policy guidance for PA management authorities, and be aligned with the Federal and State level legal and financial framework required to mobilize financial resources. It will build on past and ongoing analyses of constraints and barriers to institutionalize revenue diversification policies. Some identified constraints include: a) the need for State legislative approval to set park fees, b) no established system for revenue sharing between PA management authorities, Federal and State Governments, c) irregular and *ad hoc* pricing systems, d) need to adjust fee/pricing systems to externalities such as inflation, e) need for stronger enforcement and more transparency / accountability in fee determination, collection and management, f) need for verifiable basis for fee setting, g) need for stronger linkages with tour operators to understand the ecotourism market.

131. This output will be driven, in part, by work undertaken in support of Output 2.1 above, particularly with respect to defining the legal and institutional framework required for sustainable financing mechanisms to be institutionalized. A plan will be developed for the three target PA networks, that will provide insights on pricing issues and systems to address some of the constraints identified above. The study will focus on policy implications at two levels, first for PAs and sub-national network agencies, and second for State and Federal Governments. For PAs and PA networks a series of consultations will be supported to integrate these concerns into the agenda of the PA Boards of Governors, and then into various policy discussions at the State and Federal levels, culminating in representations to the National Biodiversity Council. What will be sought is a delegation of authority to sub-national PA network agencies to make decisions on revenue diversification and how these will be implemented. More specifically, the following sets of policies should be established:

- a. training and professional development of PA personnel
- b. facilitate range of PA revenue diversification mechanisms
- c. use fiscal instruments to promote PA financing (e.g. taxation, drawback provisions etc)
- d. clarify revenue retention by the PA network system, the PA site and various revenue sharing mechanisms (and formulae) between PA networks, sites and local stakeholders
- e. confirm conditions for the creation and management of Funds (eg trusts, endowments, revolving)
- f. internalize mechanisms to integrate and reconcile PA financing with established accounting systems
- g. institutional arrangements to facilitate revenue diversification (eg regulate concessions, foster local government co-management)

132. In addition to policies for the above, there will need to be guidelines for implementation or articulation of best practices on "how to" implement specific types of policy related activities and initiatives. For example, there is considerable scope for "institutional innovations" within the PA management structure. Currently most staffing consists of park managers, enforcement officers/assistants, technical specialists, wildlife officers etc. However, there is a need to institute a 'business development officer' or form a 'business development unit' which would be the central locus for implementing revenue generation initiatives with the ambit of a financing plan.

***Output 2.3: Three target PA networks have sufficient institutional and technical capacity to support component PAs to meet national management criteria and access performance-based financial support system***

133. As capacity and management effectiveness is enhanced at the PA network level, this will strengthen the performance of individual PAs in meeting standards. Even though Federal development budgets are relatively fixed over the life of the 10<sup>th</sup> Plan, PAs will be able to strengthen their arguments and better articulate their proposed requests for annual operational budgets. This will require capacity building focussed in the following areas:

- a. institution level governance; Capacity Scorecards indicate that accountability is built into the national system particularly since government departments and agencies are subject to financial audits. There is, however, limited transparency with respect to management and oversight, as well as participation in decision making processes at the PA network levels. In order to address these concerns it will be important to strengthen governance systems at the level of the PA Boards, Executive Councils, Management and Technical Committees. It is possible that a “good governance index” can be developed which can be linked to performance-based financing.
- b. design, development and implementation of projects: PA networks will need to be able to prepare and package “bankable” proposals to support requests for funding, whether from the State or Federal system, or external sources, such as loans or grants from different types of financial institutions, or research grants to support scientific and technical work identified in the Capacity Scorecards.
- c. plan implementation; There are some PAs with management plans, yet implementation is considered weak. Training should focus on building operational capacity at the level of directors, senior and middle level managers and technical team leaders to develop work and action plans, assess and mitigate risk, allocate resources efficiently, undertake results based management, monitoring, personnel management and oversight, delegation of tasks and authority, situation analyses, report preparation etc
- d. strengthening community support and outreach: Communications capacity is generally weak in the PA networks, and will require additional skills and resources to generate wider community and government support. Conservation communications approaches need to be internalized in two ways. First, to train resource management practitioners and technical specialists in conservation communications techniques, and second, to engage conservation communications specialists to package and disseminate information (for example, on threat reduction, good practices, or policy issues) to specific types of target audiences. This will be linked to work undertaken in Outputs 1.3 and 3.5. The latter will be an essential component of knowledge management, particularly partnership development and community outreach strategies.

***Output 2.4: Leadership of the management personnel in targeted PA sub-national networks strengthened to develop and implement effective PA management strategies***

134. Addressing human resource gaps at the individual level, will be among the main factors for project success. In addition to the financial gaps alluded to in sections above, the national PA system will be experiencing a paradigm shift in the way PAs are managed and sustained into the future. This means that there will need to be a commensurate shift in the types of skills that are brought to bear. As mentioned, PA staffing traditionally (at best) consists of park managers, wildlife officers, guides / navigators, enforcement officers /assistants, information officers, administrative and finance staff. In order to implement a comprehensive management plan and a multifaceted financing plan the human resource configuration will require new types of people with different skills sets and competencies. This would include, but not be limited to: a) forest and forestland specialists, b) soil and water specialists, c) landscape / spatial development specialists, d) zoologists, e) botanists, f) GIS, mapping and survey specialists, g) policy and governance specialists, h) information technology specialists, i) ecotourism specialists, j) law enforcement specialists, k) marketing and communications specialists, l) project managers, m) financial analysts, n)

environmental economists, o) business development managers, and more. The management plans from Output 2.1 should be as explicit as possible as to which personnel comprise the core PA team, and how the complementary skills can be tapped to provide inputs to various activities and initiatives. There are a number of options to be explored, including strategic alliances with research organizations / councils, universities, conservation NGOs, industry, other government agencies, financial institutions, business support organizations etc.

135. In order to address concerns related to leadership and motivation, a series of linked activities will need to be supported. These include representations to State Governments in particular, to find ways of absorbing more personnel, in addition to finding innovative ways of engaging and rewarding new staff.<sup>10</sup> This would also be among the policy level issues dealt with under Output 2.2 Capacity building related to Output 2.3 above should target senior level personnel – primarily Directors, Deputies, PA and Park Managers – in order to ensure that there is continuity in management, particularly as some Director level positions are government appointments which are rotational. Leadership training will focus on core skills at different levels such as:

- a. Leadership development: learning how to translate strategy into action
- b. Functional leadership: enhancing the ability to lead while balancing short term and long term strategic perspectives
- c. Organizational leadership: maximizing the potential of leaders to transform organizations and accelerate results and commitments.

136. More specialized skill training, as required, will consist of combinations of the following:

- a. Women's leadership
- b. Coaching for human resource professionals
- c. Innovation leadership
- d. Building and leading teams
- e. Leading assessments and evaluations

Given that motivation is critical concern for PA management capacity building will also focus on the middle and lower level cadres of the organization in addition to the leadership. This would involve approaches which promote “collaborative leadership” or “active self leadership” processes and models, where all staff within an organization feel a personal responsibility for its success, an important condition to enhance motivation. Champions at all levels will need to be cultivated. An adjunct to this element of motivation will be opportunities for self-paced learning through cross visits, participation in technical meetings and fora, and participation in various “communities of practice” in the biodiversity conservation field, at national, regional and global levels.

### **Outcome 3: Effective site-level PA management**

137. This outcome focuses on the removal of capacity barriers at the site level, which are hindering the cost-effective management of individual PAs. Interventions will be designed to improve basic PA management capacities where required, and will also enhance the management and business planning skills of PA managers, to enable the PA system to maximise revenue-generation and to streamline costs. This component will also demonstrate increased management effectiveness at the site level, through improved institutional and technical management capacities of sub-national PA network and guided by the national performance criteria. Three most critical PAs are targeted under this component, namely Taman Negara National Park (431,453 ha), Endau-Rompin National Park (48,905 ha) and Royal Belum State Park (117,500 ha) in order to raise the management effectiveness in these three PAs covering over 67% of the total wildlife PAs in Peninsular Malaysia.

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<sup>10</sup> In this connection there may be some lessons to be learned from the experience of the Gulung Mulu National Park in Sarawak which has introduced private sector management of some aspects of the park's operations.

138. The three demonstration PAs also mirror all the complexities of the PA system in Malaysia described in earlier sections. Taman Negara National Park comprises three separately gazetted areas in three states, namely Pahang, Terengganu and Kelantan, however it is managed by the Federal DWNP. Endau-Rompin National Park is adjoined by the Endau-Rompin State Park which is managed by the Pahang State Forestry Corporation. The Royal Belum State Park is the one of the two parks managed by the state owned Perak State Parks Corporation. Details of the demonstration sites can be drawn from information in PA profile in Part II, Section IV in the Project Document. Annex II of the Project Document includes a summary table drawn from the METT scores, of the principal perceived threats (medium and above) and primary management barriers or issues that need to be addressed. This Outcome will demonstrate increased management effectiveness backed by improved budgetary allocation, and quantifiable reduction of threats to the PAs. Through tackling the PAs with different management authorities, the project aims to create a model example for each of the three PA sub-network management agencies.

139. As part of site-level replication and scaling up, the project will assist individual wildlife PAs with areas over 20,000 ha in Peninsular Malaysia develop new, or strengthen existing management plans. These PAs are provided in the table below (including the 3 target PAs).

*Table 5: Terrestrial wildlife PAs in Peninsular Malaysia over 20,000 ha<sup>11</sup>*

Protected Area	State	Area (in ha)	Agency
Primary target PAs			
1. Taman Negara National Park	Kelantan/Pahang/ Terengganu	431,453	DWNP
2. Endau-Rompin National Park	Johor	48,905	JNPC
3. Royal Belum State Park	Perak	117,500	PSPC
<b>Total</b>		<b>597,858</b>	
Other wildlife PAs larger than 20,000 ha			
5. Krau Wildlife Reserve	Pahang	62,393	DWNP
6. Tasek Bera Ramsar Reserve	Pahang	26,000	DWNP
7. Endau-Kluang Wildlife Reserve	Johor	52,493	DWNP
8. Endau-Kota Tinggi Wildlife Reserve	Johor	45,581	DWNP
<b>GRAND TOTAL</b>		<b>784,325</b>	

**Output 3.1: PA Management Plan developed for target PAs and replicated to wildlife PAs over 20,000 ha**

140. The project will assist the three demonstration PAs (Taman Negara National Park, Endau-Rompin National Park, and Royal Belum State Park) to develop management plans using a similar approach and methodology as Output 2.1 based on the “process templates”. The management plan will provide clear park vision, objectives, strategies to achieve objectives and operational and developmental action items. User friendliness of the management plan will be emphasised. The plans will, however, need to be customized depending on the bio-geographic, physical, topographical and socio-political situations of each park. Basic sections of the management plan would include information on: a) background / historical development, b) geographic and spatial information on each park, c) relevant policy framework, d) biophysical information on each park, e) zoning, f) visitor management, services and infrastructure, g) management, operations and staffing, h) natural resource management programmes, i) security and enforcement protocols, j) ecotourism, k) scientific and technical research, l) conservation development

<sup>11</sup> Adapted from “The Master List of Protected Areas in Malaysia: A Tool for National Biodiversity Conservation Management and Planning: Report Prepared by WWF-Malaysia for Ministry of Natural Resources and Environment. Annex 1” 17 December 2008.

initiatives, m) alliances, partnerships and outreach, n) marketing communications, o) monitoring and evaluation, p) community and neighbour relationships.

141. The process will need to involve all stakeholder representatives, and will consist of at least the following basic steps:

- a. Stakeholder analysis: this would include a review of the roles of various actors and institutions that may impact or benefit from the natural assets of the park – government agencies, non-government organizations, private sector, civil society, indigenous peoples
- b. Threats analysis: based on the information from the METT assessments<sup>12</sup> perceived threats will need to be qualified and quantified to the extent possible. This will be followed by an assessment of various and appropriate threats reduction strategies, some of which would require scientific and technical inputs. For example reducing waste would require development and implementation of a solid waste management programme, while addressing landslides and flooding would require hazards mapping and vulnerability assessment to identify ways to reduce exposure
- c. Barrier removal: Management barriers would need to undergo various iterations, particularly to pin down and understand precisely the nature and root causes, and then prioritized into an action-oriented framework on how to address these concerns using science-based approaches.
- d. Capacity needs assessment: A logical extension of the above would be to identify and prioritize capacity building needs. For example, “Increase research capacity for monitoring”, would need to be expanded to identify what types of research should be undertaken and the resource requirements to make it happen.
- e. Plan development and implementation: Efforts will be made to build operational capacity at the level of park managers, deputies, senior and middle level managers and technical team leaders to develop work and action plans, assess and mitigate risk, allocate resources efficiently, undertake results based management, monitoring, personnel management and oversight, delegation of tasks and authority, situation analyses, report preparation etc.

147. Special considerations will be given to developing sections related to:

- a. PA governance processes
- b. human resource development sub-plan
- c. formation of technical committees or working groups with clear terms of reference and representatives from key government and non-government institutions
- d. improved partnership building and outreach approaches with emphasis on engaging communities and corporations
- e. incorporate structural or “institutional innovations” which will serve as a platform to carry out the business and financing plans
- f. strengthen the institutional mandate of the PA authority, with a view to recommending legislative changes to make such plans mandatory
- g. documentation of ‘best practices’ to support replication and scaling up to other PAs

142. Based on the experience of the three target PAs in developing management plans, replication and scaling up of the management plan process will be undertaken for all or some of the additional terrestrial Peninsular Malaysia PAs in Table 5. These activities will follow the template process established for the demonstration sites, be customized as appropriate, and seek to create uniformity of management plans as part of the effort to mainstream best practices for performance-based financing.

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<sup>12</sup>See Table 14: Summary Threats and Management Barriers / Issues for Three National Parks in the Project Document.

***Output 3.2: PA business plans developed for target PAs and replicated for wildlife PAs over 20,000 ha, clearly identifying revenue generation and revenue recovery strategies to increase gross revenues by an average of 20% against revenues at project start***

143. The three demonstration PAs will develop specific and customized business plans as an integral part of the broader Output 2.1. The business plans would have a long term view aligned with the management plans, but could be subject to annual review and adjustments as required. Elements of the plan would include: a) breakdown of PA management cost based on the management needs; b) cost-effectiveness maximisation measures; c) investment priorities; d) basic and optimal costs for effective PA management; e) mapping of potential sources of finance, f) revenue generation and financing strategy. As most of the PAs do not have all the necessary skills and resources to develop and execute financing plans, a combination of capacity-building and use of short term technical assistance will be considered. Moreover, there will be areas of cooperation and consolidation with the larger PA network financing plans (Output 2.1). The exercises will focus on the mechanics of park business plan development, approaches to conservation finance, and further emphasize two key aspects of the financial planning process: a) a financial analysis that identifies funding needs and gaps, b) a pre-selection and analysis of different financial mechanisms and an understanding of the legislative and regulatory framework for their implementation. The three PA business plans will be developed simultaneously to ensure maximisation of cost effectiveness of PA operations, through collaboration between individual PAs and/or networks, as well as possible joint opportunities for cross subsidy and revenue generation. The results will feed into the PA network level financing planning processes.

144. In advance of this however, there will need to be customized scanning and feasibility studies undertaken based on the natural resource assets in the parks, current statistical information, identify and qualify the various opportunities. For example in ecotourism, it may be a requirement to undertake "destination development planning" which would identify the ecotourism product, and assess the market potential, review the infrastructure requirements, qualify the investment opportunities and required financing, evaluate risk, and engage key stakeholders (e.g. Ministry of Tourism, investors, tour operators etc). More fundamental, however, will be the methodology below:

- a. Accurately updating the current financial baseline prepared for the PA, including analysing the PA management costs, reviewing different income sources, determining the current resource use and identifying cost-reduction opportunities.
- b. Using financial planning tools (e.g. scenario logic), identifying the projected financial needs for the PA, and determining the 'financial gap'.
- c. Assessing the functionality of the financial management system of the PA institutions, including accounting (income and expenditure), salaries and benefits, classification of expenses (standardisation), cash flow, transparency (availability of, and access to, information), and auditing (internal and external).
- d. Selecting the most appropriate financial mechanisms to ensure the diversification of financing sources for the PA. The focus of this activity is on ensuring the maintenance, and increase in income, from conventional financial sources (governments, donors, and trust funds), as well as developing innovative alternatives (e.g. payments for environmental services, market mechanisms, etc.).
- e. Develop financial management and revenue diversification models to optimise financial management across the sites.
- f. Defining the legal and institutional framework that is required to mobilise financial resources, adopt business management principles with optimisation of financial management across the sites, and to establish innovative financial mechanisms.

145. Revenue diversification for PAs will be enhanced through necessary institutional arrangements and various instruments and vehicles. Business plan development will focus on identifying and cultivating

specific source of financing. In addition to the Federal and State level funding and operational grants, other potential revenue sources that have been identified include but not limited to:

- a. Revision of park entry fees which was approved by the Cabinet in 2011
- b. Revision of user fees
- c. Penalties, fines and levies
- d. Tour operator surcharges
- e. Revision of fees for concessions and other infrastructure and ecotourism services
- f. PES
- g. Cause-based marketing projects (eg Tiger conservation)
- h. Carbon offset projects
- i. REDD+ projects
- j. Funds from Malaysian Mega Diversity Hubs for enhancement of tourism facilities
- k. Private sector donations or corporate social responsibility (CSR) projects

146. Based on the experience of the three demonstration PAs in developing business plans, replication and scaling up of the process will be undertaken in the additional terrestrial Peninsular Malaysia PAs in Table 5. These activities will follow the methodology established for the demonstration sites, customized as appropriate, and will seek to create uniformity of business and financing plans as part of the effort to mainstream best practices for performance-based financing.

***Output 3.3: Technical skills of PA managers and field staff in place for effective implementation of the management plans and business/financing plans***

147. The primary targets for capacity building activities will be the existing corps of personnel within the individual target PAs. As part of the technical assistance delivery mechanism, and to ensure mainstreaming and sustainability of best practices, the project will work closely with the Institute of Biodiversity (IBD) to position the institution to play a leading role within the national framework. The IBD will be supported to undertake the following:

- a. re-organize training courses into logical compendium or “packaged” curricula with a view to being more ‘marketable’
- b. include new courseware based on training materials developed through project support
- c. adopt a more ‘demand-driven’ approach to delivery of technical assistance focusing on target PAs
- d. utilize “blended learning systems” in the way courses are delivered (eg traditional classroom, web-enabled training, computer-based tutorials, cooperative education)
- e. strengthen collaborations with industry, universities, research councils and other institutions in Malaysia and internationally (e.g. exchange programs, scholarships, industry chairs, cooperative research, corporate sponsorships, endowments etc)
- f. establish a business and financing strategy, within the purview of its legal status, to generate additional funds.

148. Based on information drawn from the METT, Capacity and Financial Stability Scorecards, a number of areas emerge for more focussed capacity-building technical assistance, which would improve management effectiveness of PAs. These are elaborated in the table below:

Table 6: Technical Skills Required for Effective Implementation

Capacity-building/ skills requirements	Link to project outputs
Forest and forestlands management	<ul style="list-style-type: none"> <li>➤ biophysical and resource monitoring</li> <li>➤ training in forestry and land use planning, spatial planning</li> <li>➤ technical inputs for M&amp;E, financing models such as PES, climate change, project proposals etc</li> </ul>
Soil and water specialists	<ul style="list-style-type: none"> <li>➤ biophysical and resource monitoring</li> <li>➤ training in soil conservation and water use</li> <li>➤ technical inputs for M&amp;E, financing models such as PES, climate change, project proposals, etc</li> </ul>
GIS, mapping and survey specialists	<ul style="list-style-type: none"> <li>➤ preparation of land use maps to support boundary demarcation, management plans and gazetting of new PAs</li> <li>➤ capacity-building for applications of spatial planning tools for M&amp;E based on geospatial parameters, disaster risk reduction, land use planning; promote understanding of online mapping, predictive modelling and 3-D visualization to support management interventions</li> </ul>
Botanists (Flora)	<ul style="list-style-type: none"> <li>➤ biophysical and resource monitoring</li> <li>➤ research on ecosystem function of specific types of species</li> <li>➤ technical inputs for M&amp;E, financing models, social marketing campaigns, climate change, project proposals, etc</li> </ul>
Zoologists (species-based)	<ul style="list-style-type: none"> <li>➤ biophysical monitoring</li> <li>➤ research on ecosystem function of specific species</li> <li>➤ technical inputs for M&amp;E, financing models, social marketing campaigns, climate change, project proposals, etc</li> </ul>
Policy and governance	<ul style="list-style-type: none"> <li>➤ policy analysis, work towards harmonization of overlapping jurisdictions etc</li> <li>➤ guidance on implementing governance principles in PA management processes (eg METT, scorecards, reporting etc)</li> <li>➤ inputs into various management plans</li> </ul>
Finance	<ul style="list-style-type: none"> <li>➤ training in conservation finance (tools and methods) for EPU, MoF, States and sites</li> <li>➤ advisory services related to development and structuring of various fund instruments (eg trusts, endowments etc)</li> <li>➤ inputs into business and financing plans</li> </ul>
Business plan development	<ul style="list-style-type: none"> <li>➤ assist network and site level PAs in finalization and implementation of business and financing plans</li> </ul>
Creative leadership	<ul style="list-style-type: none"> <li>➤ strengthen ability of PA managers to motivate conservation teams</li> <li>➤ improve presentation skills to reach out to key politics</li> <li>➤ strengthen the desire of PA technical personnel to be responsible for success of undertaking, project or enterprise in collaboration with leaders (and vice-versa)</li> </ul>
Information technology	<ul style="list-style-type: none"> <li>➤ develop / refine IT systems and network to capture data and roll up to national level</li> <li>➤ decision support for M&amp;E and reporting for key policy makers</li> </ul>
Ecotourism	<ul style="list-style-type: none"> <li>➤ destination development planning for specific PAs</li> <li>➤ encouragement of product development for low impact, low consumption type of tourism</li> <li>➤ support for comparative analysis and development of user fee systems</li> </ul>
Social marketing / communications	<ul style="list-style-type: none"> <li>➤ build capacity of governments and PA managers to internalize best practices in barrier removal, threat reduction and behaviour change</li> <li>➤ assist in design and implementation of community-based advocacy, awareness raising campaigns, and partnership development</li> </ul>
Environmental economics	<ul style="list-style-type: none"> <li>➤ training of State and PA officials in the use of various ecosystem valuation tools and instruments (eg NRDA, contingent valuation, WTP, benefits transfer etc</li> <li>➤ assist in providing inputs for M&amp;E and performance tools, management plans, financing schemes, proposals for Federal and State funding etc</li> </ul>
Law enforcement	<ul style="list-style-type: none"> <li>➤ training of PA staff in law enforcement to prevent, deter and reduce threats</li> <li>➤ training for investigation protocols, evidence handling and case management, including powers to arrest</li> <li>➤ promote collaboration across different law enforcement agencies (including cross-border)</li> </ul>
Project design, development and management	<ul style="list-style-type: none"> <li>➤ training and support for PA managers in design, development and implementation of projects funded by a) State and Federal operational funds, b) research granting and other technical assistance agencies c) other sources</li> </ul>
Climate change adaptation specialist	<ul style="list-style-type: none"> <li>➤ inputs into management plans, particularly disaster risk reduction management</li> <li>➤ assist in conduct of identifying hazards and conduct of vulnerability assessments</li> </ul>

149. The Project will support development of tailor-made curricula for the target PAs, as well as the delivery of some of the priority training activities.

**Output 3.4: Functional capacities of the target PAs improved, meeting the minimum performance criteria under the national standards**

150. Functional capacities of PAs refer to organisational framework and systems which enables delivery of necessary PA management activities for biodiversity conservation. These activities include law enforcement, biodiversity and habitat monitoring, management oriented research, tourism and management infrastructure development and maintenance, park residents and neighbour relationship, tourism management (visitor control and management, tourism facility management, tourism concession development and management etc), fire management and educational activities. For individual PAs to be able to fulfil these functions, they will need to have an adequate organisational structure, staff compliments, clear work processes and reporting mechanisms, and adequate management infrastructure and equipment. Based on the METT assessment of individual PAs, the project will support development of an action plan to emplace sufficient functional capacity of PAs so that they can fully meet the performance criteria under the national standards. The support could include, *inter alia*:

- a. Development of an enabling organisational structure and staffing as well as establishment of sound governance processes throughout the PA management unit;
- b. Development of clear job descriptions for the PA positions, with defined roles and responsibilities and lines of reporting;
- c. Development of PA staff handbook or policy manual which conforms to legal requirements in Malaysia;
- d. Establishment of reward or incentive systems to motivate PA personnel;
- e. Compilation of the guidelines for finance and accounting staff on government-mandated reportorial requirements, as well as those of other agencies (sub-national, national and international)
- f. Improve revenue and fee collection mechanisms to enhance transparency and accountability.
- g. Emplacement of sufficient oversight mechanisms between various levels of management and technical staff, including well defined, individual performance assessment / evaluation process based on performance expectations and targets
- h. Establishment of reporting, monitoring and evaluation procedures in place for technical personnel in the conduct of their work.
- i. Development of mechanisms to capture technical and management information and promote learning and sharing with the organization
- j. Provision of requisite tools and resources to PA staff to conduct their duties, and alternatives if not
- k. Establishment of mechanisms in place to permit exchange of ideas, discussion and interaction between and among team members
- l. Establishment of protocols to engage external partners and stakeholders. This would include Technical Working Groups for individual PAs with defined terms of reference, among others.

**Output 3.5: Best practices and lessons documented, integrated into social marketing / communications strategies and used in replication and scaling up**

151. The three target PAs will be established as model sites or “learning and investment destinations” which embody characteristics and best practices in PA management. Each PA, as well as the sub-national PA networks, will develop a communications (or knowledge management) strategy which will need to go beyond the conventional “information dissemination”. The strategies should: a) target specific sets of stakeholders, including policy / decision makers at Federal and State levels, practitioners of natural resource management (NRM), civil society organizations, financial community, private sector industry and the general public; b) use multimedia approaches and techniques; c) form strategic alliances with broadcast, print and web-based media; d) appeal to investors based on opportunities identified in business/ financing plans; e) incorporate ‘social marketing’ tools and methods. There are a number of social

marketing curricula that are specific to applying technical knowledge to reduce threats, remove barriers and change behaviour in biodiversity conservation, which may be adopted by the project.<sup>13</sup>

152. Conscious efforts will be made to encourage cross learning between and among the three sub-national PA networks. In addition to these activities, replication and scaling up to other PAs not covered by the project scope will be encouraged through cross training, internships / cross postings, information sharing, study tours / visitations and other means. The 'national coordination mechanism' developed under Output 1.6, and strategic alliances under Outcome 2, will play a key role in this regard.

### PROJECT INDICATORS

153. The project indicators are detailed in the Strategic Results Framework in Section II of this Project Document.

*Table 7: Project objective and outcome indicators and targets*

Objective / Outcomes	Indicator	Baseline	Target (EOP)
<b>Objective:</b> To establish a performance-based financing structure to support effective Protected Area system management in Peninsular Malaysia	Increase in the Government investment in PA management	USD 7.25 million in 2010 for the DWNP, JNPC and PSPC USD 6 million in 2011-2012 development budget under 10 <sup>th</sup> Malaysia Plan	25% increase in operational budget in real terms for the 3 target PA networks based on aggregate funding from Federal and State Government sources  25% increase in development budget under the 5-year Malaysia Plan
	Financial sustainability scorecard for the sub-national PA networks	DWNP – 49.8 JNPC – 44.4 PSPC – 40	DWNP – 60 JNPC – 55 PSPC – 50
<b>Outcome 1:</b> Systemic and institutional capacities to manage and financially support a national PA system	Establishment of a policy framework for the National PA system	No framework exists, resulting in a fragmented PA system with a large number of PAs gazetted under different acts based on varied management standards	A single framework with clear categorisation of all the PAs in the PA Master List in Peninsular Malaysia, with uniform, accepted management standards and reporting requirements
	Integrated PA information and performance monitoring system	Neither performance criteria nor monitoring systems specific to PA management exist	A national, integrated PA information system established with the primary function of PA performance monitoring, and decision support for relevant government bodies
	Financial incentive system, based primarily on performance indices, established and operational.	No performance-linked financial incentive system exists.	System established supporting a minimum of 866,000 ha of the PA estate

<sup>13</sup> For example refer to [www.rareconservation.org](http://www.rareconservation.org) or [www.rareplanet.org](http://www.rareplanet.org).

	<p>National PA System mainstreamed in the budgeting process for 5-year Malaysia Plan</p> <p>Increased number of "bankable" projects in support of PA management approved for funding through operational grants.</p>	<p>No budget line for PA management in Malaysia Plan. Currently the budgets for PA infrastructure development is determined based on individual requests from State governments with no systematic planning looking at conservation priorities of the national PA network as a whole.</p>	<p>Dedicated PA budget line in Malaysia Plan</p> <p>Budgeting process of PA management/development is conducted based on increased levels of conservation priorities within the Federal and State funding system, using a range of tools including economic valuation results</p>
<p><b>Outcome 2:</b> Technical and institutional capacities to manage sub-national PA networks, including capacities for effective financial management</p>	<p>Financing gap decreased by at least 25 % in three target sub-national PA networks (DWNP, JNPC, PSPC)</p>	<p>Current financing gaps based on regional benchmark of US\$ 1,000 per km<sup>2</sup> are:</p> <p>DWNP – MYR 8.69 million PSPC – MYR 2.12 million <i>(to be verified during the inception phase.)</i></p>	<p>An average 25% decrease in the financing gaps of the 3 agencies, in real terms through operationalisation of financial management and revenue diversification models across the sites.</p>
	<p>Increase in capacity development indicator score (%) for three target sub-national PA networks</p> <ul style="list-style-type: none"> <li>• DWNP</li> <li>• JNPC</li> <li>• PSPC</li> </ul>	<p>61%</p> <p>61%</p> <p>45%</p>	<p>An average 10% increase of the capacity development indicator score for each target sub-national PA networks.</p> <p>70%</p> <p>70%</p> <p>55%</p>
	<p>Number of PAs successfully meeting national management criteria and accessing performance-based financial transfers from the Federal system</p>	<p>No baseline exists</p>	<p>Eight (8) (all the terrestrial PAs over 20,000 ha under DWNP, JNPC and PSPC)</p>
	<p>Economic and financial planning capacity institutionalized in the three sub-national PA network agencies</p>	<p>There is minimal human capacity or institutional structure to address issues of financial sustainability.</p>	<p>A unit is established in each of the sub-national PA agency dedicated to revenue diversification that will ensure financial sustainability</p>
	<p>Coordination between the sub-PA network agencies</p>	<p>Minimal coordination mechanisms</p>	<p>Three agencies have common management approaches, PA performance monitoring mechanisms, and capacity development programmes.</p>
<p>Output 3: Effective site-level PA management</p>	<p>Number of PAs with updated and approved management and business plans with implementation of it enabling the PAs to meet the national performance criteria required to access additional Federal funding</p>	<p>2 management plans for Taman Negara and Endau-Rompin National Park</p> <p>0 business plan</p> <p>TN – MYR 6.15 m</p> <p>Endau-Rompin NP – 0</p> <p>Royal Belum – 0</p>	<p>All 3 target PA sites have approved management and business / financing plans</p> <p>&gt; 20% increase in federal allocation of funding</p>

	Improved management effectiveness as per METT scores for three demonstration PAs.	Taman Negara - 74 Endau-Rompin - 58 Royal Belum - 53	10% increase in METT scores for all 3 target sites TN - 82 ER NP - 68 RB - 65
	Increase in annual revenue amount and revenue sources of the three demonstration PAs	Taman Negara - MYR 350,000 from entrance fees and recreational related charges  Endau-Rompin National Park - MYR 999,892 from entrance fees, tourism and recreational charges, income from concessions  Royal Belum State Park - MYR 126,000 from entrance fees and recreational related charges	20% increase in annual revenue for the 3 target PAs
	Length of park patrolled per day Frequency of patrol in a month Percentage of the area patrolled in a month Number of illegal activity (including encroachment and poaching) cases compounded or convicted per year	Taman Negara: 5 - 10 km per day Taman Negara: 8 - 10 days per month by walking Taman Negara: 10%  Taman Negara: 2 cases in 2010 <i>*Baseline for the remaining target PAs will be established during the project inception phase</i>	25% increase 50% increase 25% increase 50% increase

### PROJECT RISKS

154. The following potential risks and mitigation measures have been identified. These risks and the mitigation measures will be continuously monitored and updated throughout the project, and will be logged in ATLAS and reported in the PIRs.

Table 8: Risks and Mitigation Measures

Risk	Rating	Mitigation Measure
Federal government agencies are hesitant to create a dedicated budget line item for national PA systems	Medium	The project will support quantification of the PAs' economic contributions to national development, in order to raise awareness among the decision makers on the importance of the PAs and expected return on investments in the PAs. In addition, part of this concern will be addressed by focusing resources on State level Governments, given that 'land' concerns are within their jurisdiction. State governments play a strategic role in that they are the primary operational unit within the national framework. By strengthening their arguments, using collaborative approaches, and increasing their investments, they will be able to introduce a 'leverage' effect both at the Federal level, and the community level. Key State-managed parks, with strategic partners, including the national coordination mechanism, will also be able to deliver technical assistance to other PAs within the national system. A key element of the strategy will be to ensure continuous engagement with the Ministry of Finance.
Conflicts between conservation and development in state planning	Medium	The project will explicitly address this risk by piloting innovative financing mechanisms in a number of PAs, demonstrating that conservation is a potential revenue-earning process rather than a drain on scarce resources. The PA network capacity building component of the project will also help to overcome this risk. However it is clear that trade-offs between conservation within PAs and more mainstream development land uses will continue to be a central concern for this project. The project will build capacity of PA management authorities to strengthen their arguments and better present and articulate the longer term economic benefits that can be derived from effective protected area management.
Sustainable financing will be constrained by limited cooperation between and amongst government agencies	Low to Medium	A common interest amongst agencies on sustainable financing is expected to support better coordination between agencies. The project development process has been consultative and inclusive. Key government partner agencies, including State-level PA networks, have indicated good support. Critical Federal Government agencies such as the Economic Planning Unit have also been fully consulted on this initiative, and have provided endorsement for it to proceed. These stakeholders will be represented in all key fora, particularly the project steering committee and national coordination mechanism. Efforts will be made to pursue a three-pronged strategy. First to target the Federal level officials for training and awareness creation, and second, to strengthen capacity of State level counterparts and PA site level practitioners to improve the quality of data, information and proposals that flow to Federal levels. Third, a project knowledge management / communications strategy will also help to increase visibility and disseminate best practices.
PA management and staff continue to be under-resourced and lack motivation or incentives	Low to Medium	The project will combine capacity building for performance based financing, with human capital growth, particularly at the site level. By exposing existing PA staff to new knowledge and ideas, and introducing the notion of performance-based financing, it is believed that levels of motivation will increase. Efforts to introduce 'collaborative leadership' models of thinking, will help staff feel more responsible for the performance of the PA. Performance-based reward systems and other efforts to 'professionalize' PA management will help increase levels of interest and retention.
Economic downturn or crisis takes place in Malaysia severely slowing down the economy, or leads to possible shift in priorities	Low to medium	Among the key objectives of the project is to ensure that there is a better understanding of the inextricable links between conservation of ecosystem and species biodiversity and economic growth. This can be a positive sum game. The notion of 'total economic value' will be supported by real time data on the ecosystem valuation, and moreover, as PAs improve their management effectiveness and implement business plans, investment opportunities will be identified and created which will stimulate economic activities throughout various value chains, for example, in ecotourism.
Regulatory inertia limits potential for revenue generation	Low	The piloting of alternative financing sources in individual PAs will require the development of new regulations. Part of the problem under the business-as-usual scenario is that a fragmented PA system is unable to mobilize sufficient support to effect such changes; as a result of the project, support should be much stronger. Awareness raising amongst policy makers will also help to overcome this risk. The project envisions regular engagement with key decision making bodies at

		Federal and State levels, with a view to ensuring the biodiversity remains towards the top of the agenda. Moreover, by bringing objective, verifiable and policy-relevant information to decision-makers through the integrated information management system, and the proposed National Biodiversity Centre, among others, it is believed that policy processes will be enhanced. This will be particularly effective if key Government stakeholders are kept engaged throughout the project implementation, and are also sufficiently influenced by exposure to global and regional experiences, to make them want to take a leadership role in biodiversity conservation.
Climate change (CC) undermines conservation of biodiversity within Malaysia's PAs	Low	Climate change is likely to affect natural ecosystems over time, but this project actually will strengthen the resilience of PAs in Malaysia to respond to CC impacts by establishing the operational and financial capacities to manage PAs. The focus on supporting any form of PA which is effective and well-managed, rather than committing to an institutionalized set of sites, also provides greater flexibility to respond to evolving climate pressures over time. Capacity building during the management plan development process will include training on how to conduct vulnerability assessments using the International Panel on Climate Change (IPCC) methodologies.
Reduced levels of tourism affect revenue generation potential	Low	Both domestic and international tourism have been increasing strongly in Malaysia. This is unlikely to change in the future as Malaysia continues to be the top destination for international tourists among the ASEAN countries. The country continues to invest significantly in tourism promotion. Moreover, rising income levels and a growing interest in nature-based activities has generated a sustained increase in domestic visitation to parks and nature reserves.

#### *Incremental reasoning and expected global, national and local benefits*

155. **Global Environmental Objectives:** The increment of the project in terms of global environmental benefits is represented by: (i) increasing management effectiveness at the PA level (from a METT baseline of target PAs of <53% -74% to a METT target of all PAs scoring >60-80%); (ii) improving the overall PA network institutional capacity (from a baseline of 45-61% in the Capacity Assessment Scorecard to 55-70%); and (iii) increasing the financial sustainability of the wildlife PA system (from a financial sustainability baseline score of the average 44.7% to 55%, as measured through UNDP's Financial Sustainability Scorecard). In the long-term (by 2018 and beyond) threats such as encroachment, poaching, illegal logging and land use changes to non-conservation uses will be contained at the level of the entire terrestrial wildlife PA system in Peninsular Malaysia, covering 886,000 ha. Implementation of the CBD PoWPA by Malaysia will be facilitated by project activities, especially Goals 1.1, 3.1, 3.2, and 3.4.

156. Without this GEF support, the national PA system will remain fragmented and will fail to achieve its full potential, with global biodiversity conservation through PA system management and financing in PA networks in Malaysia remaining at basic levels. The Federal Government will not be able to provide adequate support to the States to enhance management effectiveness and financing of PAs, in order to develop a truly effective national PA system. State governments will continue to see PAs as costs but not realize the benefits that can be accrued, including economic planning and finance units of Federal and State governments. Under the baseline, PAs will continue to be under-resourced and managed in an *ad hoc* fashion.

157. Under this **alternative scenario** a number of results will be achieved that will have far reaching consequences for the status of protected areas in Malaysia. First and foremost, for the first time, there will be an official overarching framework for Malaysia's terrestrial PAs, with uniform management categories, criteria for establishment and management standards. Secondly, a plan for achieving financial sustainability for the wildlife PA system will have been agreed and capacity developed at Federal, sub-PA network and site levels, including a conservation trust fund and a performance-based payment mechanism in support of PA management. The project aims to engender the world first performance-based financing structure in direct support for the wildlife PAs in Peninsula Malaysia, which will be applicable to other types of PAs including protection forests and marine PAs. Thirdly, PAs will have increased their

management effectiveness and thus be in a better situation to manage and address some of the pressures that are currently threatening the PA system, and through healthier ecosystems, deliver some tangible socio-economic benefits for local communities as well as the national economy.

#### **COST-EFFECTIVENESS**

158. In the business as usual scenario PA management will continue to be fragmented, resulting in opportunities for cost reductions through efficiencies of scale and cooperation across PAs being missed. As a result of this GEF project, such opportunities will be captured, thus resulting in much more cost-effective PA management. The project's activities to promote capacities and actions to increase resources for effective and sustainable PA management from diversified sources are expected to have significant cost effectiveness. First, it will be more cost effective than the baseline scenario of largely government or ad hoc funding of PAs, as additional streams of resource generation will be explored. Second, the increased effectiveness of management planning will also have a long-term cost-saving impact as high costs for remedial actions to biodiversity loss and degradation will be avoided.

159. This project is considered more cost effective than investing in PA expansion. Instead, it addresses issues of "fixing the basics" – including the management effectiveness of PAs in addressing pressures on biodiversity and sustainable financing. The focus on sustainable financing will also be more cost effective than the baseline scenario of funding PAs solely through the existing government budgetary support. The more standardised and coordinated PA management system this project seeks to promote is also expected to lead to cost-effective use of resources resulting from increased transparency and accountability of PA managers.

160. Although the project primarily focuses on strengthening the terrestrial wildlife PA networks in Peninsular Malaysia, the activities are designed so that it will be applicable to a wider PA system in Peninsular Malaysia including protection forests areas under the PRFs and marine PAs, as well as PA networks in the State of Sabah and Sarawak. This makes the project investment extremely cost effective.

#### **COUNTRY OWNERSHIP: COUNTRY ELIGIBILITY AND COUNTRY DRIVENNESS**

161. Malaysia is a signatory of the CBD. The Fourth National Report to the CBD was prepared in 2010, confirming the high priority placed by the Government on the protection and conservation of its forest biodiversity, and the management of a system of terrestrial protected areas as an effective mechanism for the *in situ* conservation of this biodiversity (Article 8 of the CBD). As a CBD signatory, Malaysia is committed to implement the Programme of Work on Protected Areas (PoWPA). The project will directly contribute to the implementation of PoWPA: in particular: Goal 1.1: To establish and strengthen national and regional systems of protected areas integrated into a global network as a contribution to globally agreed goals; Goal 1.4: To substantially improve site-based protected area planning and management; Goal 1.5: To prevent and mitigate the negative impacts of key threats to protected areas; Goal 3.1: To provide an enabling policy, institutional and socio-economic environment for PAs; Goal 3.2: To build capacity for the planning, establishment and management of PAs; Goal 3.4: To ensure financial sustainability of PAs and national and regional systems of PAs; Goal 4.1: To develop and adopt minimum standards and best practices for national and regional PA systems; and Goal 4.2: To evaluate and improve the effectiveness of PA management.

#### **PROJECT CONSISTENCY WITH NATIONAL PRIORITIES/PLANS**

162. Malaysia's National Policy on Biological Diversity (1998) defines its Policy Statement to be "To conserve Malaysia's biological diversity and to ensure that its components are utilized in a sustainable manner for the continued progress and socio-economic development of the nation". Among the Objectives is "To ensure preservation of the unique biological heritage of the nation for the benefit of present and future generations." Fifteen strategies are defined, of which several are relevant to the current proposal. Most notably, Strategy 15 is "Establish Funding Mechanisms", for which the two Action Plan elements are:

- a. Review current funding options relating to biological diversity and identify the potential for reallocation of resources for implementation of the strategies of the National Policy on Biological Diversity.
- b. Seek new and additional incentives, funding sources and mechanisms, at both the national and international levels, for the implementation of the strategies.

163. Strategy 4, "Strengthen the Institutional Framework for Biological Diversity Management", includes Action items to identify, reinforce or establish biological diversity programmes and facilities in existing institutions, and to establish or strengthen resource management units at state and local government levels and promote implementation mechanisms between federal, state and local governments.

164. Strategy 6, "Integrate Biological Diversity Considerations into Sectoral Planning Strategies", includes Action items to:

- a. Ensure biological diversity conservation is a factor in planning and impact assessment of sectoral and cross-sectoral development programmes.
- b. Review current sectoral policies, plans and programmes to determine the extent to which use of biological resources reflect conservation needs and recommend appropriate measures therein.
- c. Ensure that biological diversity issues are incorporated in long-term and medium-term development plans (e.g. Five Year Development Plans, Outline Perspective Plans, National Development Plans).

165. The Project is fully complementary to the Heart of Borneo (HoB) programme involving the governments of Malaysia, Indonesia and Brunei Darussalam within the island of Borneo. This tri-governmental initiative is supported by WWF-CARE-IIED under a larger mandate of securing sustainable sources of finance to move economies of the three countries to a low carbon and green foundation through strengthening of policy/legislation, provisioning of incentive schemes and building capacity. Although the proposed project focuses on the wildlife PA system in Peninsular Malaysia many of the outputs will have direct application to the HoB programme in particular a component supporting conservation area strengthening in Sabah and Sarawak States. Synergetic effects of the HoB and the proposed project will be ensured through close collaboration with WWF Malaysia, who will be represented in the project steering committee.

166. This project further compliments the Outcome 3 of Country Programme Action Plan (CPAP) between UNDP and Government of Malaysia (GoM) (2008–2012) which is to improve quality of life and enhance sustainable development through environmental management of biodiversity and natural resources. UNDP has a long history of supporting national capacity building activities to ensure effective implementation of policies and programmes in the area of biodiversity conservation and management; and mainstreaming of environmental considerations into the planning and development of non-environmental agencies. Through this, UNDP will provide the key necessary resources and technical assistance in the establishment of a performance-based financing structure to support effective protected area systems management in Malaysia.

167. In addition, this project will also benefit from the inputs and lessons learned from the UNDP-UNICEF project "Study and Review of the Socio-Economic Status of Aboriginal Peoples (Orang Asli) in Peninsular Malaysia for the Formulation of a National Development Plan for the Orang Asli", given the presence of indigenous people who reside in and around the protected areas; UNDP-GoM project "Payment for Ecosystem Services" and UNDP-GoM project "REDD+ Readiness".

#### **SUSTAINABILITY AND REPLICABILITY**

168. The project has been carefully designed to optimise prospects for achieving the sustainability of the protected area network in four areas: financial, environmental, institutional and social.

169. Financial sustainability will be strengthened through the establishment of the performance-based financial transfer system in direct support for PA management. In order to operationalise such a system, a budgetary framework, structure and process for the fiscal transfer will be created, as well as the Conservation Trust Fund. At the PA sub-system, PA financing plans will be developed for each of the three wildlife PA networks, which will be integrated to form a wildlife PA system level financing plan. In addition, at the PA site level, a park business plan will be developed, identifying accurate costs of PA management activities for optimal performance to be able to fulfil national performance criteria to access the incentive funding. The business plans will also explore revenue diversification/increase opportunities and plans to achieve it, as well as ways to maximise cost-effectiveness of the PA management operations. Furthermore, the project will support the improvement of the financial planning and financial management capacity and skills of the PA agencies. A key element for securing financial sustainability within the project will also be to: (i) secure the commitment of the government to increase its annual resource allocation to the management of its protected area network, specifically in financing ongoing threat mitigation measures; and (ii) to identify additional sources of funding to scale-up project activities over the medium-term. The project will significantly contribute to the financial sustainability of the PA system through the mix of interventions at the Federal, PA sub-system and local levels.

170. Institutional sustainability will be enhanced in the project through: (i) development of the policy framework for a national PA system with uniform criteria for PA establishment and management standards; (ii) development of a PA performance monitoring system; (iii) establishment of a PA information and knowledge management system; (iv) capacity building of government agencies including EPU and MoF to ensure sustainable financing of PA system management; (v) instituting PA management and business planning process; and (vi) strengthening the technical and management training programme in direct support for the PA management; and (vii) improving the financial sustainability of institutions. The project will specifically seek to strengthen the competence, skills levels and occupational standards of the responsible institution/s for wildlife PAs.

171. Social sustainability will be enhanced through the implementation of a number of individual stakeholder engagement processes developed for each of the project activities both at the macro level of the protected area network, and at the local level of the individual target PA sites. Robust stakeholder engagement plans for the respective project activities will be drafted to direct broad-based involvement in all aspects of protected area network planning and development. These stakeholder engagement plans will also make strong provision for conflict management. The project will further identify mechanisms for the ongoing constructive engagement of private sector (tourism, agriculture etc), communities and NGO sector in PA planning, development and operations. Mechanisms for optimising the PA benefits to local communities, as well as for stakeholders to contribute to improving management and financing of the PAs will be identified at the target PAs.

172. Environmental sustainability will be promoted in the project through the strengthening of management effectiveness of the wildlife PA system covering 866,000 ha of Peninsular Malaysia, with target support to three PAs covering 597,858 ha.

173. **Replication:** Through targeting the wildlife PA system in Peninsular Malaysia and demonstrating successes, the project aims to catalyse improvements in the remaining PA networks in Peninsular Malaysia and in the states of Sabah and Sarawak. The project's outputs will be delivered with full consideration for applicability and adaptability for other PA networks including the PRF protection forests under the state forestry departments. The project will develop and apply a knowledge management system (see Output 3.5) to ensure the effective collation and dissemination of experiences and information gained in the course of the project's implementation. This knowledge management system will be designed to ensure that information and data formats and flows are directed at the most relevant stakeholder groups to support decision-making processes. The following project elements stand out as being most amenable to replication: (i) application of the national criteria for PA establishment and management standards; (ii) PA performance monitoring and performance-based payment mechanisms; (iii) PA business plan and PA system financing plan development and implementation; (vi) PA management planning; (v) PA training

programmes; (vi) cost-effectiveness of different approaches to enforcement and compliance; and (vii) approaches to adaptive management planning.

### *PART III: MANAGEMENT ARRANGEMENTS*

174. The project will be executed following the Guidelines and Procedures for National Implementation (NIM) by the Government of UNDP Supported Projects and is an integral part of the UNDP Country Programme Action Plan (CPAP) 2008-2012 signed between the Government of Malaysia (GoM) and the UNDP.

175. To ensure UNDP's accountability for programming activities and use of resources while fostering national ownership, the appropriate management arrangements and oversight of UNDP programming activities will be established. The management structure will respond to the project's needs in terms of direction, management, control, and communication. The project's structure will be flexible in order to adjust to potential changes during project execution. The UNDP Project Management structure consists of roles and responsibilities that bring together the various interests and skills involved in, and required by, the project.

176. The UNDP is the GEF Implementing Agency for this project. As a member of the Project Board (also known as National Project Steering Committee), UNDP brings to the table a wealth of experience working with the GoM in the area of biodiversity conservation, PA management, and sustainable development, and is well-positioned to assist in both capacity-building and institutional strengthening. The UNDP Country Office (UNDP-CO) and UNDP/GEF Regional Coordination Unit (RCU) in Bangkok will be responsible for transparent practices, appropriate conduct, and professional auditing.

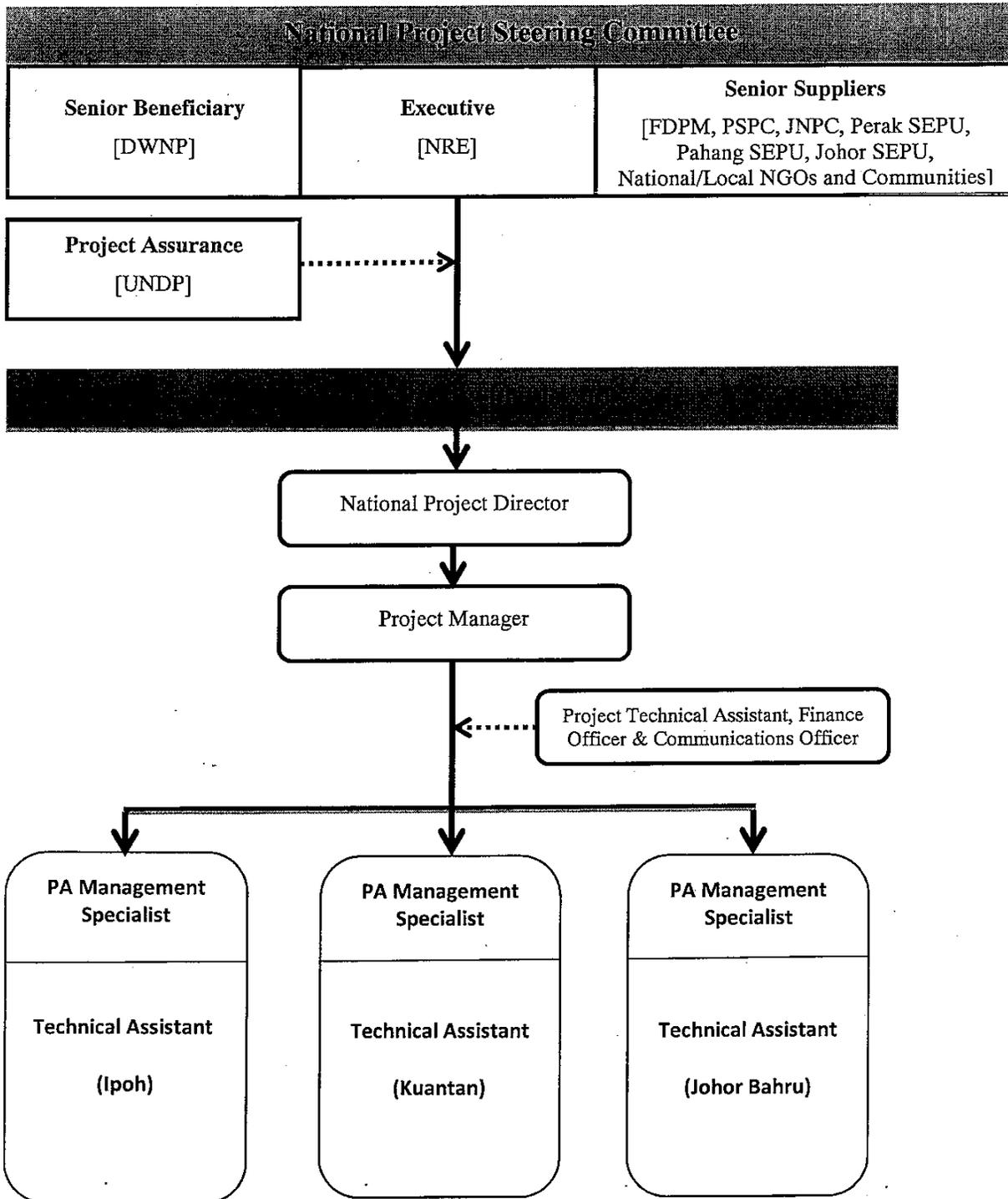
177. The project will be executed by the Department of Wildlife and National Parks (DWNP) as the representative of the Ministry of Natural Resources and Environment, Malaysia (NRE), which is acting as the Executing Agency (EA - refer to Figure below ). The DWNP will work in collaboration with eight governmental agencies in providing national/state level facilitation for the project namely: NRE, Forestry Department of Peninsular Malaysia (FDPM), Perak State Park Corporation (PSFC), Johor National Park Corporation (JNPC), Perak State Economic Planning Unit, Pahang State Economic Planning Unit and Johor State Economic Planning Unit. DWNP will be accountable to UNDP for the disbursement of funds and the achievement of the project objective according to the approved work plan. In particular, the EE will be responsible for: (i) coordinating activities to ensure the delivery of agreed outcomes; (ii) certifying expenditures in line with approved budgets and work plans; (iii) facilitating communication and networking among key stakeholders; (iv) coordinating interventions financed by GEF/UNDP with other parallel interventions; (v) preparing the Terms of Reference (TOR) for consultants and approval of tender documents for sub-contracted inputs; and (vi) reporting to UNDP on project delivery and impact; and (vii) organising meetings.

178. At the central, there will be a National Project Steering Committee (PSC) which is responsible for making management decisions for the project, in particular, when guidance is required by the Project Director (PD) or Project Manager (PM). The Chair of the PSC will be the Ministry of Natural Resources and Environment (NRE). The PSC plays a critical role in project monitoring and evaluations by quality assuring these processes and products, and using evaluations for performance improvement, accountability and learning. It ensures that the required resources are committed, and arbitrates on any conflicts within the project or negotiates a solution to any problems with external bodies. In addition, it approves the appointment and responsibilities of the Project Manager (PM) and any delegation of its Project Assurance responsibilities. Based on the approved Annual Work Plan (AWP), the PSC can also consider and approve the quarterly plans (if applicable) and also approve any essential deviations from the original plans. Specifically, the PSC will be responsible for: (i) ensuring coordination among agencies and key sectors; (ii) provide guidance to implementation to ensure consistency with national policies and strategies; (iii) complementation of the project with other initiatives of government and NGOs; (iv) provide oversight to the work progress; and (v) review financial management and annual financial reports. In order to ensure UNDP's ultimate accountability for the project results, PSC's decisions will be made in accordance to 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 Board, the final decision shall rest with the UNDP Programme Manager. Potential members of the PSC are

reviewed and recommended for approval during the Project Advisory Committee (PAC). The EPU and MoF among other key stakeholders should have representation.

179. There will be a Project Management Unit (PMU) which will be responsible for directing, supervising and coordinating the project implementation. The PMU will be hosted by the DWNP. The PMU will consist of the National Project Director (NPD), Project Manager, Project Technical Assistant, Finance Officer and Communication Officer.

*Figure 5: Project Organisation Chart*



180. In terms of key project staff, a senior DWNP staff will be appointed as the NPD whose counterpart is the Project Manager contracted to the Project. The NPD and PM will be responsible for the day-to-day project implementation, leading and managing the PMU. In addition to the PM, the PMU will be supported by one project assistant. The responsibilities of the PMU are to: (i) ensure that the work plan is implemented as planned on a timely manner; (ii) directing resources to procure and deliver the project outcomes; (iii) monitor the activities of the site coordination units; and (iv) facilitates the administrative and technical requirements of the project; and (v) report work progress to the NSC on a quarterly basis.

181. At the site level, three local level stakeholder consultative committees will be formed. These committees will provide a forum for local stakeholder involvement and consultation in project planning and activities and to the committees. There will be three (3) PA Management Specialists to provide technical support to field level activities. It is proposed that these technical specialists be co-located with State EPU or appropriate PA management agencies in Ipoh, Kuantan and Johor Bahru respectively. The field-based PA Management Specialists will report directly to the Project Manager, and be responsible for technical quality of the project activities at the PA sites.

#### ○ PART IV: PROJECT MONITORING AND EVALUATION FRAMEWORK

182. The project will be monitored through the following Monitoring and Evaluation (M&E) activities. The M&E budget is provided in the table below.

183. **Project start:** A Project Inception Workshop will be held within the first three months of project start with those with assigned roles in the project organization structure, UNDP Country Office (UNDP-CO), and where appropriate/feasible, regional technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to review and approve the first year annual work plan. The Inception Workshop should in particular:

- a) Assist all partners to fully understand and take ownership of the project.
- b) Describe the roles, support services and complementary responsibilities of UNDP-CO and Regional Coordination Unit (RCU) staff vis à vis the project team.
- c) Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms.
- d) Finalize the first annual work plan based on the project results framework and the relevant GEF Tracking Tool.
- e) Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- f) Provide a detailed overview of reporting, M&E requirements. The M&E work plan and budget should be agreed and scheduled.
- g) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- h) Clarify the roles and responsibilities of all project organisation structures
- i) Determine the scheduled of meetings taking into consideration that the first PSC meeting should be held within the first 12 months following the inception workshop.

**Table 9: Monitoring and Evaluation (M&E) Work Plan and Budget**

M&E activity	Responsible Parties	Budget USD	Time frame
Inception Workshop	<ul style="list-style-type: none"> <li>▪ NPSC</li> <li>▪ UNDP-CO/UNDP GEF</li> </ul>	10,000	Within first three months of project start up
Inception Report	<ul style="list-style-type: none"> <li>▪ Project Team</li> <li>▪ UNDP-CO</li> </ul>	None	Immediately following IW
Measurement of Means of Verification (MoV) for Project Results	<ul style="list-style-type: none"> <li>▪ NPD will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members</li> </ul>	None <i>(To be finalized in Inception Workshop)</i>	Start, mid and end of project
Measurement of MoV for Project Progress Outputs and Performance	<ul style="list-style-type: none"> <li>▪ Oversight by Project GEF Technical Advisor and NPD</li> <li>▪ Measurements by regional field officers, and local IAs</li> </ul>	240,000 <i>(48,000/year x 5 years; To be determined as part of the AWP preparation)</i>	Annually prior to APR/PIR and to the definition of annual work plans
APR and PIR	<ul style="list-style-type: none"> <li>▪ Project Team</li> <li>▪ UNDP-CO/UNDP-GEF</li> </ul>	None	Annually
Annual Reviews	<ul style="list-style-type: none"> <li>▪ Government Counterparts</li> <li>▪ UNDP-CO</li> <li>▪ Project team</li> <li>▪ UNDP-GEF RCU</li> </ul>	None	Every year, upon receipt of APR
Project Meetings	<ul style="list-style-type: none"> <li>▪ National Project Director</li> <li>▪ UNDP CO</li> </ul>	None	Following Project IW and subsequently once a year
Periodic status reports	<ul style="list-style-type: none"> <li>▪ Project Team</li> </ul>	5,000	To be determined by Project team and UNDP CO
Technical reports	<ul style="list-style-type: none"> <li>▪ Project Team</li> <li>▪ Hired consultants as needed</li> </ul>	15,000	To be determined by Project Team and UNDP-CO
Mid-term External Evaluation	<ul style="list-style-type: none"> <li>▪ Project Team</li> <li>▪ UNDP-CO/UNDP-GEF RCU</li> <li>▪ External Consultants</li> </ul>	30,000	At the mid-point of project implementation.
Final External Evaluation	<ul style="list-style-type: none"> <li>▪ Project team,</li> <li>▪ UNDP-CO/UNDP-GEF RCU</li> <li>▪ External Consultants</li> </ul>	30,000	At the end of project implementation
Terminal Report	<ul style="list-style-type: none"> <li>▪ Project Team</li> <li>▪ UNDP-CO</li> <li>▪ External Consultant</li> </ul>	5,000	At least one month before the end of the project
Lessons learned	<ul style="list-style-type: none"> <li>▪ Project Team</li> <li>▪ UNDP-GEF RCU</li> </ul>	18,000 <i>(@3,000/year)</i>	Yearly
Audit	<ul style="list-style-type: none"> <li>▪ UNDP-CO</li> <li>▪ Project Team</li> </ul>	21,000 <i>(@ \$3,500/year)</i>	Yearly
Visits to field sites (UNDP staff travel costs to be charged to IA fees)	<ul style="list-style-type: none"> <li>▪ UNDP-CO</li> <li>▪ UNDP-GEF RCU</li> <li>▪ Government representatives</li> </ul>	Paid from IA fees and operational budget	Yearly
<b>TOTAL INDICATIVE COST</b> <i>(Excluding project team staff time and UNDP staff and travel expenses)</i>		374,000 USD	

184. An Inception Workshop report is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

185. **Quarterly:** Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform UNDP-ERBMPO).

186. Based on the initial risk analysis submitted, the risk log shall be regularly updated in Atlas. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical).

187. Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot.

188. Other Atlas logs can be used to monitor issues and lessons learned. The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

189. **Annually:** Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period (30 June to 1 July). The APR/PIR combines both UNDP and GEF reporting requirements.

190. The APR/PIR includes, but is not limited to, reporting on the following:

- a) Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative)
- b) Project outputs delivered per project outcome (annual).
- c) Lesson learned/good practice.
- d) AWP and other expenditure reports
- e) Risk and adaptive management
- f) Atlas QPR
- g) Portfolio level indicators (i.e. GEF focal area tracking tools) are used by most focal areas on an annual basis as well.

191. **Periodic Monitoring through site visits:** UNDP CO and the UNDP RCU will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the Project Board may also join these visits. A Field Visit Report/BTOR will be prepared by the CO and UNDP RCU and will be circulated no less than one month after the visit to the project team and Project Board members.

192. **Mid-term of project cycle:** The project will undergo an independent Mid-Term Evaluation at the mid-point of project implementation. The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, Terms of Reference (ToR) and timing of the Mid-Term Evaluation will be decided after consultation between the parties to the project document. The ToR for this Mid-Term Evaluation will be prepared by the UNDP CO based on guidance from the RCU and UNDP-GEF. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC). The relevant GEF Focal Area Tracking Tools will also be completed during the mid-term evaluation cycle.

193. **End of Project:** An independent Final Evaluation will take place three months prior to the final Project Board meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The ToR for this evaluation will be prepared by the UNDP CO based on guidance from the RCU and UNDP-GEF.

194. The Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Center (ERC). The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results beyond the project intervention zone through existing information sharing networks and forums.

195. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

196. **COMMUNICATIONS AND VISIBILITY REQUIREMENTS:** Full compliance is required with UNDP's Branding Guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects needs to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The GEF logo can be accessed at: [http://www.thegef.org/gef/GEF\\_logo](http://www.thegef.org/gef/GEF_logo). The UNDP logo can be accessed at <http://intra.undp.org/coa/branding.shtml>.

197. Full compliance is also required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at: [http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08\\_Branding\\_the\\_GEF%20final\\_0.pdf](http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf). Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items. Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

198. **Audit Clause:** The Government of Malaysia will provide the Resident Representative with certified periodic financial statements and an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted according to UNDP financial regulations, rules and audit policies by the legally recognized auditor of the Government of Malaysia, or by a commercial auditor engaged by the Government.

#### *PART V: LEGAL CONTEXT*

199. This document together with the CPAP signed by the Government of Malaysia and UNDP which is incorporated by reference constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA) and all CPAP provisions apply to this document.

200. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency. The executing agency shall:

- 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;
- Assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

201. 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 this agreement.

202. The executing agency agrees to undertake all reasonable efforts to ensure that none of the 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 list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/Docs/sc/committees/1267/1267\\_ListEng.htm](http://www.un.org/Docs/sc/committees/1267/1267_ListEng.htm). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

**SECTION II: STRATEGIC RESULTS FRAMEWORK AND GEF INCREMENT**

**PART I: STRATEGIC RESULTS FRAMEWORK**

Objective/ Outcome	Indicator	Baseline	End of Project target	Source of Information	Risks and assumptions
<p>To establish a performance-based financing structure to support effective Protected Area (PA) system management in Peninsular Malaysia</p>	<p>Increase in the Government investment in PA management operation</p>	<p>USD 7.25 million in 2010 for the DWNP, JNPC and PSPC</p> <p>USD 6 million in 2011-2012 development budget under 10<sup>th</sup> Malaysia Plan</p>	<p>25% increase of operational budget in real terms for the 3 target PA networks based on aggregate funding from Federal and State Government sources</p> <p>25% increase in development budget under the 5-year Malaysia Plan</p>	<p>Operating Budget Plan for the respective PA network</p> <p>1<sup>st</sup> Malaysia Plan</p>	<p><u>Assumptions:</u></p> <ol style="list-style-type: none"> <li>1. Malaysian Government maintains a strong sense of commitment and ownership throughout the 6-year project implementation.</li> <li>2. Externalities and fluctuations (socio-economic and financial) do not affect financial projections and revenues</li> <li>3. Baseline scores for management tools and scorecards accurately and objectively determined.</li> </ol>
<p>Financial sustainability scorecard for the 3 PA networks</p> <ul style="list-style-type: none"> <li>• DWNP</li> <li>• JNPC</li> <li>• PSPC</li> </ul>	<p>Provisional scores to be reassessed during Inception Phase</p>	<p>49.8%</p> <p>44.4%</p> <p>40%</p>	<p>60%</p> <p>55%</p> <p>50%</p>	<p>Financial Sustainability Scorecard assessment at mid-term and at the end of the project (EoP)</p>	<p><u>Risks:</u></p> <ol style="list-style-type: none"> <li>1. Changes in political leadership may affect the priorities on protected area conservation and financing.</li> <li>2. Federal and State authorities do not come to grips with separating "land" versus "PA" issues.</li> </ol>

Objective/ Outcome	Indicator	Baseline	End of Project target	Source of Information	Risks and assumptions
<b>Outcome 1</b> Systemic & Institutional Capacities to manage and financially support a national PA System	<b>Outputs:</b> 1.1: Policy framework established in support of development of a national PA system, with uniform criteria for PA establishment and management standards 1.2: Performance measurement indices developed and adopted for (i) individual PAs and (ii) overall PA networks with identified targets for financial requirements 1.3: PA information and knowledge management system established to support the national PA system management 1.4: Budgetary framework created to increase Federal Government financial support for PAs, allocated on the basis of performance 1.5: Structures and processes created for NRE to provide performance-based operational and capital grants to PAs on the basis of performance against national indices, and other relevant criteria 1.6: A national mechanism established for periodic independent review of PA performance and conduct monitoring and evaluation in relation to grant allocation methodologies 1.7: Capacity of Federal EPU and MoF is strengthened to ensure sustainable financing of PA management is addressed in the annual budget	No framework exists, resulting in a fragmented PA system with a large number of PAs gazetted under different acts based on varied management standards	A single framework with clear categorisation of all the PAs in the PA Master List in Peninsular Malaysia, with uniform, accepted management standards and reporting requirements	Integrated PA information system  Approved policy document outlining PA categories, management standards, input requirements and reporting process, agreed by all the sub-PA network agencies	<b>Assumptions:</b> – The government (in particular MoF and EPU) commits to an incremental growth in public investment in PA network based on performance, and to the promotion of revenue generation/retention by the PA system.  <b>Risks:</b> – Economic downturn or crisis hits Malaysia severely slowing down the economy, or leads to a shift in priorities – Legal reform processes to support the national PA system established and become prolonged and
Financial incentive system, based primarily on performance indices,	Integrated PA information and performance monitoring system	Neither performance criteria nor monitoring systems specific to PA management exist	A national, integrated PA information system established with the primary function of PA performance monitoring, and decision support for relevant government bodies	Integrated PA information system  PA performance monitoring reports  Official fund transfer records Report on PA performance	No performance-linked financial incentive system exists.

*PRODOC Enhancing effectiveness and financial sustainability of Protected Areas in Malaysia.*

Objective/ Outcome	Indicator	Baseline	End of Project target	Source of Information	Risks and assumptions
	<p>established and operational.</p> <p>National PA System mainstreamed in the budgeting process for 5-year Malaysia Plan</p> <p>Increased number of "bankable" projects in support of PA management approved for funding through operational grants.</p>	<p>No budget line for PA management in Malaysia Plan. Currently the budgets for PA infrastructure development is determined based on individual requests from State governments with no systematic planning looking at conservation priorities of the national PA network as a whole.</p>	<p>Dedicated PA budget line in Malaysia Plan</p> <p>Budgeting process of PA management/development is conducted based on increased levels of conservation priorities within the Federal and State funding system, using a range of tools including economic valuation results</p>	<p>against national indices</p> <p>11<sup>th</sup> Malaysia Plan</p> <p>Formal PA investment planning process</p>	<p>drawn out</p>
<p><b>Outcome 2</b></p> <p>Technical and institutional capacities to manage sub-national PA networks, including capacities for effective financial management</p>	<p><b>Outputs</b></p> <p>2.1: PA network financing plans developed, incorporating strategies for revenue diversification for PA networks</p> <p>2.2: Policies and guidelines for PA revenue diversification and retention institutionalized in the targeted PA sub-network agencies</p> <p>2.3: Three target PA networks have sufficient institutional and technical capacity to support component PAs to meet national management criteria and access performance-based financial support system</p> <p>2.4: Leadership of the management personnel in targeted PA sub-networks strengthened to develop and implement effective PA management strategies</p>	<p>Current financing gaps based on regional benchmark of 196 staff and US\$ 1,000 per km<sup>2</sup> are:</p> <ul style="list-style-type: none"> <li>• DWNP – MYR 8.69 million</li> <li>• PSPC – MYR 2.12 million</li> </ul> <p><i>*The amounts will be updated during the inception phase.</i></p>	<p>An average 25% decrease in the financing gaps of the 3 PA sub-network agencies, in real terms through operationalisation of financial management and revenue diversification models across the sites.</p>	<p>Approved PA budgets</p> <p>PA system business plans</p> <p>Financial Sustainability Scorecard Assessment</p> <p>Project Report</p> <p>Capacity scorecard assessment at mid-term and</p>	<p><u>Assumptions:</u></p> <p>The individual PA institutions maintain a clear mandate and authority to fulfil oversight and management obligations for the protected area network</p> <p><u>Risks:</u></p>
	<p>Increase in capacity development indicator score</p>		<p>An average &gt;10% increase of the capacity development</p>	<p>Capacity scorecard assessment at mid-term and</p>	

Objective/ Outcome	Indicator	Baseline	End of Project target	Source of Information	Risks and assumptions
	(%) for three target sub-national PA networks <ul style="list-style-type: none"> <li>• DWNP</li> <li>• JNPC</li> <li>• PSPC</li> </ul>	Average – 54%  61% 61% 45%	indicator score for each target sub-national PA networks.  70% 70% 55%	at the EoP	Limitation of human resources at State Government and individual PA institutions.
	Number of PAs successfully meeting national management criteria and accessing performance-based financial transfers from the Federal system	No baseline exists	At least eight (8) among the terrestrial PAs over 20,000 ha under DWNP, JNPC and PSPC)	Report on PA performance against national indices	
	Economic and financial planning capacity institutionalized in the three sub-national PA network agencies	There is minimal human capacity or institutional structure to address issues of financial sustainability.	A unit is established in each of the sub-national PA agency dedicated to revenue diversification that will ensure financial sustainability	PA management plans with organisational charts  PA business plans  Project reports	
	Coordination between the sub-PA network agencies	Minimal coordination mechanisms	Three agencies have common management approaches, PA performance monitoring mechanisms, and capacity development programmes.	Agency's annual reports Training programmes/ report Integrated PA performance monitoring system and capacity development programmes Project report	
<b>Outcome 3</b> Effective site-level PA management	<b>Outputs</b> 3.1: PA Management Plan developed for target PAs and replicated to wildlife PAs over 20,000 ha 3.2: PA business plans developed for target PAs and replicated for wildlife PAs over 20,000 ha, clearly identifying revenue generation and revenue recovery strategies to increase gross revenues by an average of 20% against revenues at project start				

Objective/ Outcome	Indicator	Baseline	End of Project target	Source of Information	Risks and assumptions
	<p>3.3: Technical skills of PA managers and field staff in place for effective implementation of the management plans and business/financing plans</p> <p>3.4: Functional capacities of the target PAs improved, meeting the minimum performance criteria under the national standards</p> <p>3.5: Best practices and lessons documented, integrated into social marketing/communications strategies and used in replication and scaling up</p>				
	<p>Number of PAs with updated and approved management and business plans with implementation of it enabling the PAs to meet the national performance criteria required to access additional Federal funding</p>	<p>2 management plans for Taman Negara and Endau-Rompin National Park</p> <p>0 business plan</p> <p>Taman Negara -- MYR 6.15 m</p> <p>Endau-Rompin NP --0</p> <p>Royal Belum -- 0</p>	<p>All 3 target PA sites have approved management and business / financing plans</p> <p>&gt; 20% increase in federal allocation of funding</p>	<p>Park management plans and business plans</p>	<p><u>Assumptions:</u></p> <p>A generic management and business planning format for PAs is adopted by all responsible PA institutions</p> <p><u>Risks:</u></p> <p>Limitation of human resources at site PA</p> <p>Lack of commitments from decision-makers</p>
	<p>Improved management effectiveness as per METT scores for three target PAs.</p>	<p>Taman Negara - 74</p> <p>Endau-Rompin NP -- 58</p> <p>Royal Belum -- 53</p>	<p>Average 10% increase in METT scores for 3 target PAs</p> <p>TN --82</p> <p>ER NP -- 68</p> <p>RB - 65</p>	<p>METT mid-term and EoP assessments</p>	
	<p>Increase in annual revenue amount and revenue sources of the three demonstration PAs</p>	<p>Taman Negara -- MYR 350,000 from entrance fees and recreational related charges</p> <p>Endau-Rompin National Park -- MYR 999,892 from entrance fees, tourism and recreational charges, income from concessions</p> <p>Royal Belum State Park -- MYR 126,000 from entrance fees and recreational related</p>	<p>20% increase in gross annual revenue for the 3 target PA sites</p>	<p>Financial records of target PAs</p>	

Objective/ Outcome	Indicator	Baseline	End of Project target	Source of Information	Risks and assumptions
	Length of park patrolled per day Frequency of patrol in a month Percentage of the area patrolled in a month Number of illegal activity (including encroachment and poaching) cases within PA compounded or convicted per year	charges TN: 5 – 10 km per day TN: 8 - 10 days per month by walking TN: 10% TN: 2 cases in 2010 <i>*Baseline for other target PAs will be established during the project inception phase.</i>	25% increase 50% increase 25% increase 50% increase	Law enforcement report Project report	

## PART II: INCREMENTAL COST ANALYSIS

### INCREMENTAL REASONING AND EXPECTED GLOBAL, NATIONAL AND LOCAL BENEFITS

#### *Broad Development Goals*

203. Malaysia is one of 17 mega-diverse countries in the world, with a wealth of biological diversity in its terrestrial and marine zones. The flora of Malaysia is exceedingly rich and is conservatively estimated to contain about 12,500 species of flowering plants, approximately 300 species of mammals, more than 700 species of birds, and 350 species of reptiles, including a large number of endemics. In order to safeguard the globally significant biodiversity, Malaysia has established networks of protected areas (PAs). In Peninsular Malaysia alone, there are at least four PA networks covering a total area of 2.98 million ha, managed by different agencies including the Federal Department of Wildlife and National Parks, Johor National Parks Corporation, Perak State Parks Corporation and state forestry departments. PAs under different networks are governed by different laws with varying degrees of protection status, and gazettement and de-gazettement procedures. What is common between the different PA networks is that these PAs are largely characterised as sub-optimally managed and severely underfinanced. There are four main reasons for this: (i) non-existent uniform system of national PAs under a common umbrella for achievement of biodiversity conservation goals; (ii) insufficient understanding of the economic value of the PAs and essential contribution they make to national development; (iii) insufficient incentives on the part of the state government to invest in PA management due to the perception that they are foregoing revenue generation opportunities through other forms of land use; and (iv) sub-optimal capacity at the PA management agencies for site management and PA system management.

204. By undertaking this project, Malaysia will contribute towards the implementation of the CBD Programme of Work on Protected Areas (POWPA). Specific POWPA targets that will be addressed include:

- All protected areas to have effective management using participatory and science-based site planning processes;
- Effective mechanisms for identifying and preventing negative impacts of key threats to protected areas are in place;
- Establish capacity building programmes based on protected area capacity needs assessment;
- Develop sustainable financing for the PA system;
- Establish standard monitoring protocols for protected areas.

205. In the regional context, a strengthened national PA system also supports and complements the goals of regional conservation initiatives such as the Heart of Borneo, the ASEAN Heritage Parks Program and the Coral Triangle Initiative.

206. This project will help to introduce system-level thinking, planning and management, supported by innovative, cost-effective and sustainable financial support. This will translate into improved management effectiveness in addressing growing threats to biodiversity from, *inter alia*, poaching and land-use change, within more than 866,000ha of the existing terrestrial PAs. It will complement a series of planned, linked UNDP initiatives related to climate change mitigation / adaptation, payment for ecosystem services and a landscape project to create eco-linkages or wildlife corridors for tigers in the Central Forest Spine.

#### *Baseline*

207. The current scenario of protected areas in Malaysia is a complex mix of different management authorities with different legal, management and financing approaches, as well as gaps in financing and management effectiveness. Some of the more pertinent issues arising business-as-usual scenario are described below:

- Federal transfers for management of PAs are not expected to increase as the economic benefits of PAs are not fully recognized. In addition, there is no performance-, incentive- or needs-based financing mechanism for the transfer of funds from Federal to PA management authorities. Current fund transfers are mostly on an *ad hoc* basis and there has been no significant increase in total transfers

despite a steady increase in protected area coverage in recent years. If this trend persists, there is a possibility that management effectiveness could even deteriorate as the inadequate amount of funds available is stretched further to cover the costs of maintaining a larger number of PAs.

- While inadequate financing of PAs affects management effectiveness, there are also other contributory factors such as the lack of national performance standards and human resource development for PA staff and inadequate incentives for improving staff performance. A consequence of poor management effectiveness of PAs is an increase in the threat to the biodiversity contained within these areas from activities such as poaching and illegal encroachment.
- Although there are discussions to improve financial sustainability of PAs, there has yet to be an overall acceptance of the relevant financing strategies and approaches by the State governments and PA management authorities, which is a major obstacle to implementation.
- There is no official register of protected areas in the country, giving rise to conflicting reporting of the protected area coverage and other important baseline data. However, a draft national master list of protected areas has been completed and will be validated and updated during the project. Without additional external support, the application of this list may not be fully realised in developing and implementing an integrated PA management information system, incorporating a database which is updated regularly and utilised by policy makers, technical agencies and civil society in Malaysia. A fully functioning integrated PA information management system would also allow for the identification of threatened but under-represented ecosystem types and facilitate the planning for expansion of the PA system that would encompass these ecosystems.

#### *GEF Alternative*

208. Under this alternative scenario a number of decisions will have been made that will have far reaching consequences for the status of protected areas in Malaysia. First and foremost PAs will have a financing level that will slowly become on par with PAs in other comparable countries in the region. Second, PAs will have increased their management effectiveness and thus in a better situation to manage and address and reduce some of the pressures that are currently threatening the PA system and thirdly, the overall area under conservation will have been expanded to incorporate poorly represented ecosystems according to best practices in Protected Area system planning. With a national coordinating mechanism in place, supported by an integrated information management system, and solid working models for increased PA effectiveness, conservation financing decisions will have a solid scientific and technical basis.

#### *System Boundary*

209. In biological terms, the project is focused on the *in situ* conservation of local fauna, flora, habitats and ecological processes. Geographically, the project is limited to the wildlife PA system in Peninsular Malaysia. Some aspects of the project cover the entire PA system beyond the wildlife PA system, including the protection forests under the Permanent Reserved Forest. The project will support three wildlife PA network agencies (DWNP, JNPC and PSPC). In-depth management planning and institutional capacity building will cover 3 target PAs - Taman Negara National Park, Endau Rompin National Park (Johor) and Royal Belum State Park – covering 597,858 ha. The strategic emphasis of the project is greatly improved effective management of a network of wildlife PAs in Peninsular Malaysia that conserves the unique biodiversity of the country, supported by performance based incentive payment system to significantly improve biodiversity conservation function of the PA system.

#### *Summary of Costs*

210. The GEF financing for the project totals US\$5,600,000. Total co-financing for the project is US\$9,800,000. The total cost is broken down as follows: a) US\$3,800,000 for Component 1; b) US\$5,200,000 for Component 2; c) US\$5,000,000 for Component 3; and d) US\$1,400,000 for project management. Co-financing is provided by the Government and the UNDP. The two tables below detail the **co-financing commitment** to the project.

<i>Name of Co-financier (source)</i>	<i>Classification</i>	<i>Type</i>	<i>Project</i>	<i>%*</i>
Department of Wildlife and National Parks, Ministry of Natural Resources and Environment	Government	Grant	9,200,000	69
		In kind	500,000	4
Johor National Parks Corporation	Government	Grant	3,200,000	24
		In kind	400,000	3
UNDP	GEF Agency	Grant	100,000	1
<b>Total Co-financing</b>			13,400,000	100%

	<b>Component 1</b>	<b>Component 2</b>	<b>Component 3</b>	<b>Project Management</b>	<b>Total</b>
GEF	1,800,000	1,300,000	2,000,000	500,000	5,600,000
Government	2,000,000	3,900,000	6,175,000	1,225,000	13,300,000
UNDP	100,000	0	0	0	100,000
<b>Total</b>	<b>3,900,000</b>	<b>5,200,000</b>	<b>8,175,000</b>	<b>1,725,000</b>	<b>19,000,000</b>

**SECTION III: TOTAL BUDGET AND WORKPLAN**

<b>Short Title:</b>	PIMS 3967 MAL Strengthening PAs
<b>Award ID:</b>	00066114
<b>Award Title:</b>	00082355
<b>Business Unit:</b>	MYS10
<b>Project Title:</b>	Enhancing effectiveness and financial sustainability of protected areas in Peninsular Malaysia
<b>Implementing Partner (Executing Agency)</b>	Ministry of Natural Resources and Environment, Malaysia

GEF Outcome/Atlas Activity	Responsible Party	Fund ID	Donor Name	Atlas Budgetary Account Code	Atlas Budget Description	TOTAL (USD)	Amount (USD)						Budget Note	
							Year 1	Year 2	Year 3	Year 4	Year 5	Year 6		
Outcome 1. Systemic & Institutional Capacities to manage and financially support a national PA System	NRE	62000	GEF	71200	Int. Consultants	117,000	63,000	54,000	-	-	-	-	1	
				71300	Local Consultants	237,900	63,635	61,523	34,173	26,723	26,723	25,123	2	
				71600	Travel	164,000	50,000	50,000	20,000	30,000	12,000	2,000	3	
				72100	Contractual Services - Compa	340,300	65,000	65,000	65,000	65,000	40,150	40,150	4	
				72200	Equipment	263,804	246,304	3,500	3,500	3,500	3,500	3,500	3,500	5
				72400	Communications	82,038	12,038	14,000	14,000	14,000	14,000	14,000	14,000	6



					Training	10,000	10,000	50,000	50,000	153,077	20,000								
Project Management	NRE	62000	GEF	71300	Local Consultants	74,423	450,000	76,007	76,007	74,479	73,077	21							
													Total Outcome3	2,152,419	316,381	483,223	488,969	488,000	209,923
													Total Project Management	450,000	74,423	76,007	76,007	74,479	73,077
Project Grand Total					5,600,000	1,189,858	906,530	1,102,057	1,010,776	889,929	500,850								

**PIMS 3967 - Budget Notes**

1	Output 1.1-1.7: International PA Policy and Planning Specialist (8 weeks @ 3000/wk) to deliver comparative policy analysis/study; Output 1.2: International Biodiversity and Ecosystems Specialist (8 weeks @ 3000/wk) to develop performance indices and deliver related capacity building; International Monitoring and Evaluation Finance Specialist (6 weeks @ 3000/wk) to refine performance indices, input to information management system design documentation and deliver capacity-building; International Standards and Certification Specialist (8 weeks @ 3000/wk) to build capacity in financial sustainability and deliver orientation on sources and instruments for finance; International Standards and Certification Specialist (4 weeks @ 3000/wk) to train PAs in application of market-based instruments and lay groundwork for standards-setting, accreditation and certification system; International Science Policy Specialist (5 weeks@3000/wk) to conduct comparative global study on institutional and policy frameworks in support of financing for management of scientific research and information management for national biodiversity programmes.
2	Output 1.1 to 1.7: PA specialist (37 weeks@ USD 1500/wk) to provide technical guidance, oversight and facilitate delivery of outputs. Output 1.1: PA Policy Specialist (16 weeks@1700/wk) and Legal and Governance Specialist (16 weeks@1700/week); to establish policy framework. Output 1.2: Conservation Finance Specialist (8 weeks@ 1700/wk) to build capacity regarding business and finance plans; Legal and Governance Specialist (4 weeks@1700/wk) finalized scorecard processes, management plans and business/finance plans; Output 1.4: Public Administration Specialist (10 weeks@1700/wk) and Public Sector Finance Specialist (10 weeks@1800/wk) finalized structures and processes for performance based operational and capital grants to State agencies or PAs; Output 1.5: Senior Policy Advisor (4 weeks@2000/wk) and Public Sector Finance Specialist (4 weeks@1800/wk) to deliver plans for establishing the NRE Trust Fund mechanism. Output 1.6: Organizational Development Specialist (12 weeks@ 1500/wk) to finalize PA network management plan and related policies Output 1.7: Environmental Economist (12.5 weeks@2000/week) and Public Sector Finance Specialist (8 weeks@1800/wk) to support EPU and MoF in ecosystem valuation applications
3	Output 1.1 and 1.7: International airfares and per diems for international consultants; local travel for consultants, contractuals, project activity implementers and participants for meetings, trainings and other project consultations for PA establishment criteria and management standards development, establishment of performance based financing system for the PAs and establishment of knowledge management system,
4	Service contracts to support: Output 1.2 - Establishment of the policy framework for a unified national PA system and testing of the performance-based measurement indices against which PAs will be assessed (US\$ 58,300); Output 1.3 - Establishment of integrated information management and performance monitoring system (USD 93,000); Output 1.4 - Establishment and operationalisation of a performance-based financial incentive system (USD 45,000); Output 1.6 - Establishment of the national coordinating mechanism for mainstreaming, including defining of roles and responsibilities of institutions which will form part of legal arrangements (USD 24,000); Output 1.7: Delivery of training courses on ecosystem valuation techniques using case study methodologies and methods for integrating ecosystem values in the fiscal planning system, primarily targeting the EPU and MoF officials (USD 20,000) Outputs 1.7: Economic valuation of the PA system (USD 100,000). Contracts will be awarded to specialised institutions/NGOs/companies on a competitive basis, based on both thematic and

**PIMS 3967 - Budget Notes**

	<i>geographic experience, to undertake relevant work</i>
5	<u>Output 1.3:</u> Servers, hardware, software and related peripherals for integrated information management system (IIMS) and associated training (USD 120,240); equipment for PA system management including GPS, binoculars, trap camera : (USD 143,564), including associated maintenance costs.
6	<u>Output 1.1 to 1.6:</u> Telephone, fax, postal, couriers, printings, subscriptions, publications and research materials.
7	<u>Outputs 1.1 to 1.6:</u> A combination of seminars, trainings and planning / consultative meetings, which will include 1) review international best practice and national level policy and practice in PA systems management including regulatory /enforcement and financial concerns to establish long term goals and objectives for policy reform, 2) review the three primary PA management tools to assess baseline pre-test scores and prepare for continued implementation, 3) identify, validate and refine a series of key performance measurement indices which will be applied assessing performance of PAs, including review and discussion on options for to apply standards and certification systems to PAs, 4) strengthen skills and capacities of key government officials in various conservation finance tools and methods, 5) develop long term plan which outlines legal and institutional arrangements for national coordination mechanism, 6) will identify, define and collect data sets, consolidate information sources, and develop plan for integrated information management system, 7) strengthen capacity and skills of EPU and MoF officials in a range of ecosystem valuation techniques using case study methodologies; with training manuals produced.
8	<u>Output 2.1:</u> International Biodiversity and Ecosystems Specialist (8 weeks@3000/wk), International Conservation Finance Specialist (8weeks@3000/wk), International CSR Specialist (5 weeks@3000/wk), International Business Development Specialist (5 weeks@3000/wk) jointly build capacity for economic planning and financial analysis and development of PA network management, business and financing plans. <u>Output 2.4:</u> International Creative Leadership Specialist (8 weeks@3000/wk) and International Organizational Development Specialist (8 weeks@3000/wk) strengthened PA institutional leadership and organizational capacity for improved management.
9	<u>Outputs 2.1 to 2.4:</u> PA Specialist (32 weeks@ USD 1,500/wk) to provide technical guidance, oversight and facilitate delivery of outputs. <u>Output 2.1:</u> Forestry Sector Specialist (6) (48 weeks@1500/wk) and Water Sector Specialist (8 weeks@1500/wk) and Environmental Economist (8 weeks@2000/wk), Financial Analyst (8 weeks@1500/wk) jointly build capacity for economic planning and financial analysis and development of PA network management, business and financing plans <u>Output 2.3:</u> Human Resource Development and Technical Training Specialist (40 weeks@1300/wk) and Curriculum Development Specialist (20 weeks@1500/wk) develop training programs on a) institution level governance, b) design, development and implementation of projects, c) plan implementation, and d) strengthening community support and outreach - and other customized training.
10	<u>Outputs 2.1 and 2.4:</u> International travel, per diem and accommodation for international consultants; <u>Outputs 2.1 to 2.4:</u> local travel for consultants, project implementers and participants for meetings, trainings and other project consultations
11	Service contracts to support: <u>Output 2.1 and 2.3</u> – reduction of financing gaps through operationalisation of financial management and revenue diversification models – long-term technical facilitation support for financing plan implementation and capacity development for sustainability (USD 678,000); <u>Output 2.1</u> - Development of the thematic and spatial maps for 3 PA networks (USD 13,000); <u>Output 2.3</u> – various training courses for PA system managers and technical personnel including PA governance, climate change impacts on PAs and methodologies in conduct of vulnerability assessments, project development, community co-management (USD 130,000); <u>Output 2.1 to 2.4</u> - Knowledge Management Services in support of document review, editing and finalization; communications and logistics (USD 17,000); PA system management and technical support services (USD 87,000). <i>Contracts will be awarded to specialised institutions/NGOs/companies on a competitive basis, based on both thematic and geographic experience, to undertake relevant work.</i>
12	<u>Outputs 2.1 to 2.4:</u> Telephone, fax, postal, couriers, printing, subscriptions, publications and research materials.
13	<u>Outputs 2.1 to 2.4:</u> trainings and consultation meetings in support of development and implementation of the strategic plans, financing plans, internalization of revenue generation policies, various PA management and leadership training at three PA network agency locations
14	<u>Output 3.1:</u> International Ecosystems and Biodiversity Specialist (10 weeks@3000/wk) technical assistance provided for 3 target PA in stakeholder analysis, threat reduction, barrier removal, needs assessment and plan management. <u>Output 3.5:</u> International Ecotourism Specialist (5 weeks@3000/wk) destination development plans delivered for 3 PAs, with identified investment opportunities, and improved user fee designs. International Multimedia and Knowledge Management Specialist (5 weeks@3000/week) knowledge management strategy developed and implemented including social marketing campaigns for barrier removal. International Public Private Partnership Specialist (4 weeks@3000/week) investment opportunities identified with

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	supporting advice on structuring deals and agreements. International Evaluation Consultant to provide evaluation services at mid-term and end of project (USD 50,000).
15	<u>Outputs 3.1 to 3.5:</u> PA Specialist (36 weeks@ USD 1,500/wk) to provide technical guidance, oversight and facilitate delivery of outputs. <u>Outputs 3.1 and 3.2:</u> Forestry Sector Specialists (40 weeks@1500/wk), Water Sector Specialist (8 weeks@1500/wk), Private Sector Finance Specialist (12 weeks@1500/wk), jointly developed PA management plans, with specialized inputs into forest land use planning, water use and water resource planning, with established and more effective cost structures; Business Development Specialist (12 weeks@1500/wk) developed business and financial plans and related revenue generation strategies, and scaled up technical capacity to other PAs. <u>Output 3.3:</u> Adult Education Specialist (24 weeks@1500/wk) new curriculum developed for IBID, <u>Output 3.4:</u> Organizational Development Specialist (16 weeks@1600/wk) and M&E Specialist (16 weeks@1500/wk) jointly refined and applied management tools at 3 target sites, and monitored PA management against functionality criteria.
16	<u>Output 3.1 and 3.5:</u> International travel, per diem and accommodation for international consultants; local travel for consultants, service providers, project implementers and participants for trainings and other project consultations; travel to international training for selected project partners.
17	Service contracts to cover: <u>Output 3.1</u> – log-term support for operationalisation of PA management plans for target PAs and replication in other wildlife PAs larger than 20,000 ha, with plans for institutional and individual capacity development (USD 100,000); <u>Output 3.2</u> – long-term support for operationalisation of PA business plans for target PAs and support for replication in other wildlife PAs larger than 20,000 ha, with plans for institutional and individual capacity development (USD 135,000); <u>Output 3.3</u> – Development of individual capacities at the target PAs in direct support for implementation of the PA management and business plans (US\$ 330,000) ; <u>Output 3.4</u> – Development of functional capacities of the target PAs to meet the minimum performance criteria (USD 280,000); <u>Output 3.5</u> - development and dissemination of best practices: Capacity building, training, exhibits and other events coordinated and managed. Social marketing plans developed and implemented for 3 PA network agencies and 3 PAs. Marketing collaterals, publications, signage and other knowledge products developed and disseminated. Audio visual production developed and distributed (USD 124,000). <i>Contracts will be awarded to specialised institutions/NGOs/companies on a competitive basis, based on both thematic and geographic experience, to undertake relevant work.</i>
18	PA management equipment support including: four 4-wheel drive vehicles critical for enhancement of the site level law enforcement and biodiversity monitoring activities, IT and field equipment for local-level biodiversity monitoring including related repair and maintenance.
19	<u>Outputs 3.1 to 3.5:</u> Telephone, fax, postal, couriers, printing, subscriptions, publications and research materials.
20	<u>Outputs 3.1 to 3.1:</u> Trainings, seminars, public consultations and meetings at 3 target sites and scaling up at 8+ sites. It is estimated that there will be at minimum eight (8) five day training sessions for management plan and business plan development, followed by at minimum sixteen (16) five day training sessions for scaling up management plan and business plan development at 8+ sites; <u>Output 3.3:</u> Training sessions targeting PA staff on priority PA management skills, including law enforcement, tourism management, soil and water management, forest management, botany, zoology, leadership, community relations etc. <u>Output 3.4:</u> Trainings and consultation meetings for institutional auditing and restructuring, job description development, development of individual performance management system and incentive mechanisms. <u>Output 3.5</u> Organisation of international training which proposes to bring together all relevant PA management authorities and other stakeholders in Malaysia, ASEAN members and other selected countries, to share best practices and advance learning models for performance based financing.
22	<u>Project Management:</u> Includes Project Manager (300 weeks @ USD 1,000/wk), and Finance Officer (300 weeks@500/wk);

**Summary of Funds**

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
GEF	1,189,858	906,530	1,102,057	1,010,776	889,929	500,850	5,600,000
Government	1,900,000	2,500,000	2,500,000	2,500,000	2,400,000	1,500,000	13,300,000
UNDP	50,000	50,000	0	0	0	0	100,000
<b>Total</b>	<b>3,139,858</b>	<b>3,456,530</b>	<b>3,602,057</b>	<b>3,510,776</b>	<b>3,289,929</b>	<b>2,000,850</b>	<b>19,000,000</b>

Table 10: Overview of Inputs from Technical Assistance Consultants financed by GEF

Position/Service Titles	\$/person week	Estimated person weeks	Tasks to be performed
<b>For Project Management</b>			
Position Titles	USD/psn week*	Est. psn weeks**	Tasks to be performed
<b>Local Consultant</b>			
Project Manager	1,000	300	<p>The National Project Manager (PM) reports to the Project Director and will be responsible for the following:</p> <ul style="list-style-type: none"> <li>• Provide oversight, strategic direction, technical and programmatic support for three project components to ensure successful project implementation</li> <li>• Build and maintain high-level contacts in the public and private sectors to support project activities</li> <li>• Manage project budget and related processes, tracking and achievement of performance indicators and contractually obligated outputs and deliverables</li> <li>• Guide project procurement activities. Develop term of reference, manage selection processes and contract administration for project employees, consultants and subcontractors. Undertake performance evaluations as necessary</li> <li>• Lead efforts to establish and maintain linkages with related GEF, UNDP and other development assistance projects and stakeholders</li> <li>• Design measures to adapt, improve and strengthen project delivery</li> <li>• Review and contribute to all component work plans and balance resources across component activities as appropriate for achieving project targets</li> <li>• Prepare project reports, presentations, technical and other materials as required</li> <li>• Act as the principal representative of the project with UNDP CO, and represent the project in national and international fora as appropriate</li> </ul>
Finance Officer	500	300	<p>The Finance Officer will report directly to the Project Manager and be undertake the following:</p> <ul style="list-style-type: none"> <li>• Maintain project chart of accounts</li> <li>• Assist with project procurement processes</li> <li>• Prepare cheque vouchers and facilitate project-related payments</li> <li>• Review and approve travel advance requests</li> <li>• Audit travel expense statements and liquidations</li> <li>• Prepare payments for consultants and contractors</li> <li>• Prepare quarterly financial reports</li> <li>• Prepare semi annual financial and year end reports</li> <li>• Facilitate audits and financial reviews as required.</li> </ul>
<b>For Technical Assistance</b>			
<b>OUTCOME 1</b>			
<b>International Consultants</b>			
Position Titles	USD/psn week*	Est. psn weeks**	Tasks to be performed
International PA policy and planning analyst	3000	8	<p>Output 1.1: An international senior PA Policy and Planning Analyst will work with the National Project Director and Project Manager to deliver a comparative study on international experiences with PA management. This work will serve as the basis for activities to establish the Malaysia national policy framework for PA management. The work will be comparative, review the literature, and draw on the experiences of such countries as the USA, Canada, Germany, Costa Rica, Brazil, China, the Philippines, Indonesia, among others. The study will discuss issues related to policy and practice, institutional and legal arrangement between central and state governments, financing and applicable lessons learned; and will draw contrast with the Malaysian experience.</p>

Position/Service Titles	\$/ person week	Estimated person weeks	Tasks to be performed
International Biodiversity and Ecosystems Management Specialist	3000	8	Output 1.2: The International Biodiversity and Ecosystem Specialist will research and deliver capacity building services that will, a) assist the Federal and State agencies in defining and establishing parameters for performance indices for different types of PAs based on the IUCN classifications, b) review and the draft the final Master List of PAs, as well as the three management tools, the METT, Financial Sustainability Scorecard and Capacity Scorecard; the results from the pre-testing c) make comparisons with other similar tools used in other countries, d) engage in consultations with key stakeholders and communities on their perceptions of the tools, e) document recommendations for refinement, f) re-affirm qualitative and quantitative indices related to "strengthened effectiveness" and g) deliver training and orientation on the above.
International Monitoring and Evaluation Specialist	3000	6	Output 1.2: The International Monitoring and Evaluation Specialist will work in cooperation with the International Biodiversity and Ecosystems Specialist in relation to Output 1.2, and a) assist in finalization of relevant and potential performance measurement indices for individual PAs and sub-national PA networks based on best available information, b) assess and recommend tools and methods for M&E that will be appropriate for training of PA staff in order to develop systems that will be institutionalized by the PAs, and also used in development of the information management system, c) prepare documentation and provide training. Output 3.1 see below.
International Conservation Finance Specialist	3000	8	Output 1.2. The International Conservation Finance Specialist will assist the project team and PA stakeholders in reviewing the Financial Sustainability Scorecards, validating the pre-test scores, assessing the baseline data, providing recommendations to refine the scorecard for future applications. The Specialist will deliver training on global sources of finance, and the various instruments used in the field of conservation finance. This will help PAs to understand the breadth and depth of options that may be available to them.
International Standards and Certification Specialist	3000	4	Output 1.2: The International Standards and Certification Specialist will work with the Project Manager and other two specialists in support of Output 1.2, in order to provide information and insights on the use of market-based instruments as a way of improving performance and generating financing for PAs. The consultancy will combine submission of a formal report with training, and will lay the groundwork for the development of a system of standards, linked to threat reduction and barrier removal, based on PA management tools, which would open up the possibilities of accreditation and certification. The report and training will consist of case studies in various natural resource sectors including forestry, and target PA management, staff and other stakeholders.
International Science Policy Specialist	3000	5	Output 1.6: The International Science Policy Specialist will prepare a policy study which will consist of comparative analysis of science policies of selected countries. It will focus on institutional frameworks, capacity building programmes and flows of finance in support of research and development, as it relates to management of national biodiversity. The study will also review how innovation systems are structured in other countries, and how innovation indicators are developed and used. The study will flow into discussions related to creation of the national coordination mechanism.
<b>Local Consultants</b>			
PA Management Specialist	1,500	37	Outputs 1.1 to 1.7: Approved technical terms of reference for international and local consultants, service contractors and other technical personnel; Technical documentation on policy framework to support performance based financing for PAs; Set of performance measurement indices for individual PAs (3) and overall PA networks (3) validated and endorsed by stakeholders; Strategy for implementation of national coordination mechanism, supplemented by operational integrated information management system  Policy and procedures created / reinforced for establishment of a) federal budget framework for PA financing, b) conservation trust fund managed by MNRE  EPU and MOF officials trained in conservation finance tools and methods, including ecosystem valuation technique.
PA Policy Specialist	1700	16	Output 1.1: The PA Policy Specialist will work in collaboration with the National Project Director, Project Manager and the International PA Policy Specialist to finalize the establishment of the national PA policy framework. Tasks will focus on a) review of prior work on PA policy harmonization, b) review of Malaysia Science and Technology Policies; c) other policies related to infrastructure development in the Malaysia 5 year plans, d) identify key issues and constraints related to policy harmonization and operationalization of uniform criteria for PA establishment and management standards, and e) prepare appropriate report and documentation and f) recommend practical steps

Position/Service Titles	\$/person week	Estimated person weeks	Tasks to be performed
			forward, g) draft policy framework guidelines.
Legal and Governance Specialist	1700	20	<p>Output 1.1: The Legal and Governance Specialist will work with the Project Manager and PA Policy Specialist, and in consultation with the International Biodiversity and Ecosystems Specialist to finalize the establishment of a national PA policy framework. Specifically, this will consist of a) review existing policy analyses related to biodiversity conservation; b) consult with senior policy officials in key departments such as the EPU, MoF, MRNE, DWNP, among others, c) identify constraints to the development of a policy framework for national PA system; d) provide expert advice and guidance with respect to policy processes in this regard.</p> <p>Output 1.2: The Legal and Governance Specialist will work with the Project Manager and in consultation with the M&amp;E Specialist and other consultants to develop performance measurement indices. This will include a) advice and support in review of the METT and scorecards, b) assistance in further applications of the tools, c) guidance for the scalability of performance measurement indices, d) deliver training for PA management, staff and other stakeholders.</p>
Conservation Finance Specialist	1700	8	Output 1.2: The Conservation Finance Specialist will work in collaboration with the International Conservation Finance Specialist and the Project Manager to build capacity of PA network agencies on sources of finance and use of various tools and instruments. This will consist of a) review national sources of and instruments for conservation finance, b) review and refine of scorecards, particularly Financial Sustainability, c) assist in development of performance measurement indices, d) provide guidance on related policies, e) design and deliver training materials.
Public Administration and Policy Specialist	1700	10	Output 1.4: The Public Administration and Policy Specialist will work with the National Project Director and Project Manager other technical consultants prepare analytical documentation to support development of structures and processes for performance-based capital grants to State agencies or PAs. This will involve a) participation in consultations with key officials in the MNRE, EPU, MoF and other agencies, b) advice and technical support with respect to legal and policy implications, c) advice on barriers and constraints and provide insights on possible ways forward, d) assist in the development of position papers and other documentation
Public Sector Finance Specialist	1800	22	<p>Output 1.4: The Public Sector Finance Specialist will work with the National Project Director and Project Manager other technical consultants to prepare analytical documentation on structures and processes for performance based operational and capital grants to State agencies or PAs. This will include a) participation in consultations with key officials in the MNRE, EPU, MoF and other agencies, b) advice with respect to policy implications, c) review and analysis of existing fund allocation mechanisms and advice on barriers and constraints, d) insights on ways to facilitate development of fund allocations mechanisms, d) assist in development of position papers and other documentation</p> <p>Output 1.5: The Public Sector Finance Specialist will work with the National Project Director, Project Manager and a Senior Policy Advisor Specialist to develop a conservation trust fund. Specifically this will involve a) feasibility study on MNRE providing operational and capital grants to State agencies and PAs, b) assessment of the required policy processes and legislative changes, c) participation in consultations with appropriate MNRE, MoF, EPU and other officials, d) assistance in development of a position paper or document that outlines a strategy to develop a funding mechanism.</p> <p>Output 1.7: The Public Sector Finance Specialist will assist the National Project Director and Project Manager to build capacity of EPU and MOF in ecosystem valuation techniques. This will involve the a) design of appropriate training tools (as above); b) strengthening the related capacity building efforts, c) advice to project team on practical steps to internalize ecosystem valuation methods to support budget allocation decisions within EPU and MoF.</p>
Senior Policy Advisor	2000	4	Output 1.5: The Senior Policy Advisor will work with the National Project Director, Project Manager and Public Sector Finance Specialist to develop a conservation trust fund. This work will include a) feasibility study of MNRE providing operational and capital grants to State agencies and PAs, b) assessment of the required policy processes

Position/Service Titles	\$/person week	Estimated person weeks	Tasks to be performed
			and legislative changes, c) participate in consultations with appropriate MNRE, MoF, EPU and other officials, d) assist in development of a position paper or document that outlines a strategy to develop a funding mechanism.
Organizational Development Specialist	1500	12	Output 1.6: On the basis of the work of the International Science Policy Specialist, the Organizational Development Specialist will collaborate with the National Project Director and Project Manager to conceptualize and design a national coordination mechanism. This will consist of a) participation in consultations with MNRE, NBC, DWNP, IBD and other relevant government agencies, b) review of mandates of existing departments and agencies and advice on legal and policy implications to establish viable mechanism, c) recommendations on elements of a strategy to establish such a mechanism, including the institutional arrangements, formal agreements, financial and human resource requirements, d) assist in preparation of appropriate presentations and documentation to key stakeholders.
Environmental Economist	2000	12.5	Output 1.7: In collaboration with the National Project Director and Project Manager, the Environmental Economist will develop and deliver training for Federal EPU and MoF officials in on various ecosystem valuation tools using case study methodologies based on data from project-linked PA. Guidebooks, case studies and briefing materials will be developed and refresher training conducted as required.
<b>OUTCOME 2</b>			
<b>International Consultants</b>			
International Biodiversity and Ecosystem Management Specialist	3000	8	Output 2.1: The Biodiversity and Ecosystems Management Specialist will work closely with the Project Manager and the three PA Management Specialists at the PA network level to build capacity for economic and financial planning to enhance PA performance. This will involve a) strengthening the integration of the PA networks into broader landscape and economic development planning processes at the State levels, b) improvement of trans-boundary (inter-agency) PA planning and management coordination, c) the development of long term management plans, with appropriate technical inputs, d) the development of business and financing plans based on international models, e) recommendations on benchmarks to generate aggregated financial needs for the entire PA system in Peninsular Malaysia.
International Conservation Finance Specialist	3000	8	Output 2.1: The International Conservation Finance Specialist will work closely with the Project Manager and the three PA Management Specialists at the PA network level to build capacity for economic and financial planning to enhance PA performance. This will involve, a) strengthening the integration of the PA networks into broader landscape and economic development planning processes at the State levels, b) improvement of trans-boundary (inter-agency) PA financial planning and management coordination, c) the development of long term management plans, with appropriate finance-related inputs, e) advice on the development of business and financing plans based on international models, f) conduct of financial analyses to address fiscal gaps, g) identify potential sources, and mechanisms to diversify revenue as part of finance plan development.
International Corporate Social Responsibility (CSR) Specialist	3000	5	Output 2.1: The International Corporate Social Responsibility Specialist will work closely with the Project Manager and the three PA Management Specialists at the PA network level to build capacity for economic and financial planning to enhance PA performance. This will include, a) strengthening the integration of the PA networks into broader landscape and economic development planning processes at the State levels, b) improvement of trans-boundary (inter-agency) PA planning and management coordination, c) the development of long term management plans, with appropriate technical inputs, e) advice on the development of business and financing plans based on international models, f) strategies to engage private sector and industry associations to be active participants and investors in biodiversity conservation, g) assistance for PA networks to become CSR-enablers for government and private sector corporations.

Position/Service Titles	\$/ person week	Estimated person weeks	Tasks to be performed
International Business Development Specialist	3000	5	Output 2.1: The International Business Development Specialist will work closely with the Project Manager and the three PA Management Specialists at the PA network level to build capacity for economic and financial planning to enhance PA performance. This will include, a) strengthening the integration of the PA networks into broader landscape and economic development planning processes at the State levels, b) the development of long term management plans, and provide appropriate business/technical inputs, c) advice on the development of business and financing plans based on international models, d) financial analysis related to fiscal gaps, e) recommendations on benchmarks to generate aggregated financial needs for the entire PA system in Peninsular Malaysia, h) define terms of reference and assist in internalizing revenue diversification strategies, i) identify and document potential business opportunities.
International Creative Leadership Specialist	3000	8	Output 2.4: In collaboration with the Project Manager, the International Creative Leadership Specialist will strengthen capacity of leadership and management personnel to develop and implement effective PA management strategies. The Specialist will, a) review leadership gaps and constraints, b) design and deliver training for PA managers with emphasis on engagement, innovation and motivation of teams/personnel, c) conduct review of regional institutions and recommend courses appropriate for PA managers and senior technical personnel which will help improve skills in different facets of leadership.
International Organizational Development Specialist	3000	8	Output 2.4: In collaboration with the Project Manager and the International Creative Leadership Specialist, the International Organizational Development Specialist will build capacity of leadership and management personnel to develop and implement effective PA management strategies. The Specialist will a) assist in review of leadership gaps and constraints, b) undertaken review and prepare analysis of organizational effectiveness of PAs, c) assist in design and delivery of training for PA managers with emphasis on engagement, innovation and motivation of teams/personnel, d) design human resource development strategy for PA management, e) recommend approaches to strengthen workplace conditions and occupational health based on international standards.
<b>Local Consultants</b>			
PA Management Specialist	1,500	32	Outputs 2.1 to 2.4: Approved technical terms of reference for international and local consultants, service contractors and other technical personnel; Financing plans developed for 3 PA network agencies, including revenue diversification strategy; Revenue diversification strategy institutionalized within 3 PA network agencies; PA network management and staff trained in governance, plan implementation, project development and management, and community support and outreach; Gap analysis on leadership of PAs, with training strategy developed and implemented.
Forestry Sector Specialists	1500	48	Output 2.1: Three Forestry Sector Specialists will work closely with a PA Management Specialist based in the PA network agencies to strengthen the integration of the PA networks into broader landscape- and economic development planning processes at the State levels. This will involve a) improving trans-boundary (inter-agency) PA planning and management coordination, b) determining the cost structure of managing PA networks, and how benefits (and co-benefits) will be derived for State development, c) enhancing the cost-effectiveness of the PA networks by strengthening technical capacities d) development of PA network management plans, with specialized inputs into forest land use planning, f) development of business and financial plans and related revenue generation strategies. (3 specialists are envisaged).
Water Sector Specialist	1500	8	Output 2.1: The Water Sector Specialists will work closely with the three PA Management Specialists based in the PA network agencies to strengthen the integration of the PA networks into broader landscape- and economic development planning processes at the State levels. This will involve a) improving trans-boundary (inter-agency) PA planning and management coordination. b) determining the cost structure of managing their PA networks, and how benefits (and co-benefits) will be derived for State development, c) enhancing the cost-effectiveness of the PA networks by strengthening technical capacities d) development of PA network management plans, with specialized inputs into watershed management and water use planning, f) development of business and financial plans and related revenue generation strategies.
Environmental Economist	2000	8	Output 2.1: The Environmental Economist will work closely with three PA Management Specialists to strengthen the integration of the PA networks into broader landscape- and economic development planning processes at the State levels. This will consist of a) improving trans-boundary (inter-agency) PA planning and management coordination, b)

Position/Service Titles	\$/person week	Estimated person weeks	Tasks to be performed
			determining the cost structure of managing their PA networks, and how benefits (and co-benefits) will be derived for State development, c) enhancing the cost-effectiveness of the PA networks by strengthening technical capacities d) development of PA network management plans, with specialized inputs into applications of ecosystems valuation techniques e) development of business and financial plans and related revenue generation strategies, with emphasis on use of market-based instruments such as REDD+.
Financial Analyst	1500	8	Output 2.1 The Financial Analyst will work closely with the Project Manager and three PA Management Specialists based in the PA network agencies to strengthen the integration of the PA networks into broader landscape- and economic development planning processes at the State levels. This will include a) determining the cost structure of managing their PA networks, and how benefits (and co-benefits) will be derived for State development, b) enhancing the cost-effectiveness of the PA networks by strengthening technical capacities c) development of PA network management plans, with emphasis on addressing fiscal gaps, d) development of business and financial plans and related revenue generation strategies, with emphasis on updating the current financial baselines, cost analyses, determining the current resource use and identifying cost-reduction opportunities, among others.
Human Resource Development and Technical Training Specialist	1300	40	Output 2.3: The HRD and Training Specialist will work closely with the National Project Director, Project Manager and three PA Management Specialists to build institutional and technical capacity to support component PAs to meet national management criteria and access performance-based financial transfers from the Federal System. Specifically, training programs will be developed and delivered for targeted stakeholders in a) institution level governance, b) design, development and implementation of projects, c) plan implementation, and d) strengthening community support and outreach.  Output 2.4: The HRD and Training Specialist will work closely with the National Project Director, Project Manager and three PA Management Specialists to ensure that leadership and management personnel in targeted sub-national PA networks have sufficient capacity to develop and implement effective PA management strategies. More specifically this would include coordination of delivery of different types of training, including specialized programs provided by contractors and outside institutions.
Curriculum Development Specialist	1500	20	Output 2.3: The Curriculum Development Specialist will work closely with the National Project Director, Project Manager and three PA Management Specialists to build institutional and technical capacity to support component PAs to meet national management criteria and access performance-based financial transfers from the Federal System. Specifically, training programs will be developed and delivered to target stakeholder groups in a) institution level governance, b) design, development and implementation of projects, c) plan implementation, and d) strengthening community support and outreach. The specialist will also work closely with associated contractors to develop specific curricula, and deliver technical assistance to target stakeholders in cooperation with partner / network institutions, as appropriate.  Output 2.4: The Curriculum Development Specialist will work closely with the National Project Director, Project Manager and three PA Management Specialists and the International Creative Leadership Specialist to ensure that leadership and management personnel in targeted sub-national PA networks have sufficient capacity to develop and implement effective PA management strategies. More specifically this would include curriculum design and customization of specialized training for PA management and technical staff..
<b>COMPONENT 3</b>			
<b>International Consultants</b>			
International Biodiversity and Ecosystems Management Specialist	3000	10	Output 3.1: The International Biodiversity and Ecosystems Management Specialist work with the Project Manager and PA managers in 3 target PAs to strengthen capacity of demonstration PAs in the development of management plans, and support replication/ scaling up to selected wildlife PAs over 20,000 ha. This will involve technical assistance related to a) stakeholder analysis, b) threats analysis, c) barrier removal, d) capacity needs assessment, e) plan development and implementation. It will also consist of compilation of best practices to support scaling up, among others.

Position/Service Titles	\$/person week	Estimated person weeks	Tasks to be performed
International Ecotourism Specialist	3000	5	Output 3.5: The International Ecotourism Specialist will work collaboratively with the National Project Director, Project Manager and three PA Management Specialists to provide technical assistance and skills upgrading for demonstration and replication PAs with respect to a) destination plan development, b) building ecotourism products, c) engaging with the tour operator industry, c) addressing climate change issues, d) identifying and promoting investment opportunities, e) establishment of user fee systems.
International Multimedia and Knowledge Management Specialist	3000	5	Output 3.5: The International Multimedia and Knowledge Management Specialist will work collaboratively with the National Project Director, Project Manager and three PA Management Specialists to provide technical assistance for demonstration and replications PAs in documenting best practices and lessons learned, integrating technical knowledge into social marketing / communications strategies and applying these to replication and scaling up activities. This will involve development and implementation of a comprehensive knowledge management strategy (an extension of work undertaken under Output 1.3).
International Public Private Partnership Specialist	3000	4	Output 3.5: The International Public Private Partnership Specialist will work collaboratively with the National Project Director, Project Manager and three PA Management Specialists to train senior government officials, PA managers and others, to structure environmental infrastructure investment deals and agreements, using a case study approach. This will include a) scanning and identification of investment opportunities, b) due diligence and legal obligations, c) sharing of risks, d) sharing of revenues, e) intellectual property rights (IPRs) among others. This work will also feed into the development and internalization of policies on revenue diversification for PA management authorities (reference Output 2.2).
Senior Evaluation Expert	2,941.17	17	Conduct mid-term and final evaluation of the project, in order to assess the project progress, achievement of results and impacts, in particular the technical standard, quality and impact of the envisaged overarching national PA system and PA performance management system, as well as the performance based incentive mechanisms.
<b>Local Consultants</b>			
PA Management Specialist	1,500	36	<b>Outputs 3.1 to 3.5:</b> Approved technical terms of reference for international and local consultants; service contractors and technical personnel; Management plans developed for target PA sites; Business plans developed for target PA sites; Replication strategy developed and implemented for selected wildlife PAs over 20,000 ha; PA managers and field staff in target PAs trained in appropriate technical fields; PA training strategy finalized for IBD with curriculum developed/refined for continued capacity building  PAs have functional and enabling organizational framework in place; Knowledge management strategy finalized and implemented, with focus on dissemination of best practices and lessons learned.
Forestry Sector Specialists	1500	40	Outputs 3.1 and 3.2: Four Forestry Sector Specialists will work closely with a PA Management Specialists based in the PA network agencies, and Park Managers in strengthening the technical capacity of PAs for integration into broader landscape- and economic development planning processes at State levels, through a) improved trans-boundary (inter-agency) PA planning and management coordination, b) established cost structures of managing their PAs, and how benefits (and co-benefits) will derived from park development, c) enhanced cost-effectiveness of the PAs by strengthening technical capacities d) developed PA management plans, with specialized inputs into forest land use planning, e) developed business and financial plans and related revenue generation strategies, g) scaled up technical capacity to other PAs. Four specialists are envisaged.
Water Sector Specialist	1500	8	Outputs 3.1 and 3.2: The Water Sector Specialist will work closely with the three PA Management Specialists based in the PA network agencies and Park Managers in strengthening technical capacity of PAs for the integration into broader landscape- and economic development planning processes at the State levels, through a) improved trans-boundary (inter-agency) PA planning and management coordination. b) established cost structure of managing their PA networks, and how benefits (and co-benefits) will be derived for State development, c) enhanced cost-effectiveness of the PA networks by strengthening technical capacities e) developed PA network management plans, with specialized inputs into watershed management and water use planning, f) developed business and financial plans and related revenue generation strategies, g) scaled up technical capacity to other PAs.
Private Sector Finance	1500	12	Outputs 3.1 and 3.2: The Private Sector Finance Specialist will work closely with the three PA Management Specialists based in the PA network agencies and park managers of the 3 target PAs to strengthen technical capacity in the integration of the PA networks into

Position/Service Titles	\$/person week	Estimated person weeks	Tasks to be performed
Specialist			broader landscape- and economic development planning processes at the State levels, through a) established cost structures for managing their PA networks, and how benefits (and co-benefits) will be derived for State development, b) enhanced cost-effectiveness of the PA networks by strengthening technical capacities c) developed PA network management plans, with specialized inputs into financial analysis f) developed business and financial plans and specific revenue generation strategies, using a range of instruments, g) scaled up financial technical capacity to other PAs.
Business Development Specialist	1500	12	Outputs 3.1 and 3.2: The Business Development Specialist will work closely with the three PA Management Specialists based in the PA network agencies and park managers of the 3 target PAs and strengthen capacity for the integration of the PA networks into broader landscape- and economic development planning processes at the State levels, a) established cost structure of managing their PA networks, and how benefits (and co-benefits) will be derived for State development, b) enhanced cost-effectiveness of the PA networks by strengthening technical capacities d) developed PA network management plans, with specialized inputs into implementation and revenue diversification strategies f) developed business and financial plans and specific revenue generation strategies, using a range of instruments, targeting specifically defined opportunities g) scaled up business management and financial technical capacity to other PAs.
Adult Education Specialist	1500	24	Output 3.3: The Adult Education Specialist will work closely with the National Project Director, Project Manager and consult with the Curriculum Development Specialist and HRD / Training Specialist, and will strengthen the capacity building programs of the IBD. The Specialist will ensure that the appropriate technical skills are in place for effective PA management. Specifically, the deliverables will include; a) re-organized training courses into logical compendium or "packaged" curricula with a view to being more 'marketable', b) newly packaged courseware based on training materials developed through project support, c) increased 'demand-driven' approaches to delivery of technical assistance, d) application of "blended learning systems" in the way courses are delivered (eg traditional classroom, web-enabled training, computer-based tutorials, cooperative education), e) strengthened and new collaborations with industry, universities, research councils and other institutions in Malaysia and internationally (eg. exchange programs, scholarships, industry chairs, cooperative research, corporate sponsorships, endowments etc), among others.
Monitoring and Evaluation Specialist	1600	16	Output 3.4: The M&E Specialist will work in close collaboration with the Project Manager and 3 PA Management Specialists within the sub-national P network agencies, and the Organizational Development Specialist to ensure that the functional capacities of the target PAs are improved, and meet the minimum performance criteria under the national standards. This will involve delivery of the following; a) refined versions of the METT, Financial Sustainability and Capacity Scorecards, b) data gathered and collated against the identified performance indices (reference Output 1.2), c) completed gap assessment with recommendation for continuous improvement and future technical assistance, d) monitoring reports in relation to other elements of functionality, including internal control systems, reports, HRD policies, operations manuals etc.
Organizational Development Specialist	1500	16	Output 3.4: The Organizational Development Specialist will work in close collaboration with the Project Manager and 3 PA Management Specialists within the sub-national PA agencies, and the M&E Specialist to ensure that the functional capacities of the target PAs are improved, and meet the minimum performance criteria under the national standards. This will involve delivery of the following; a) refined versions of the METT, Financial Sustainability and Capacity Scorecards, b) data gathering and collated against the identified performance indices (reference Output 1.2), c) gap assessment conducted with recommendation for continuous improvement and future technical assistance, d) monitoring reports in relation to other elements of functionality, including internal control systems, reports, HRD policies, operations manuals etc.

**SECTION IV: ADDITIONAL INFORMATION**

**PART I: OTHER AGREEMENTS**



BUKU PRIMA KALIAJARAN PERLINDUNGAN HIDUPAN LIAR DAN  
TAMAN NEGARA (PERHILITAN) SEMENANTUNJUK MALAYSIA  
HEADQUARTERS, DEPARTMENT OF WILDLIFE AND NATIONAL PARKS,  
PENINSULAR MALAYSIA  
KM. 10, JALAN CHERAS,  
50100 KUALA LUMPUR  
Tel.: 60-3-90246620 Fax: 03-90752273  
E-mail: pakp@wildlife.gov.my Laman web: www.wildlife.gov.my



Ref : JPHL&TN(IP):60-3/20 (52 )

Date: 6 December 2011

Mr. Yanick Glemarec  
Executive Coordinator  
UNDP-GEF

Dear Sir,

**Co-Funding For The UNDP-GEF Project "Enhancing Effectiveness and Financial Sustainability of Protected Areas in Malaysia"**

We hereby would like to confirm that the Department of Wildlife and National Parks (DWNP) of Peninsular Malaysia as the main focal agency for implementing the project 'Enhancing Effectiveness and Financing Sustainability of Protected Areas' in Malaysia, will provide co-funding in the form of development and operating funds of US\$ 700,000. This funding would also include complementary projects and activities at Taman Negara National Park, counterpart staff time for project management and project activities to ensure successful implementation of the project.

Thank you.

Yours sincerely,

  
( DR. SIVANANTHAN T. ELAGUPILLAY )  
for Director General  
Department of Wildlife and  
National Parks (PERHILITAN)

cc.

Secretary General  
Ministry of Natural Resources and Environment (NRE)  
Putrajaya, Malaysia

Director General  
Department of Wildlife and National Parks (DWNP)  
Kuala Lumpur, Malaysia



## PERBADANAN TAMAN NEGARA (JOHOR)

Aras 1,  
Bangunan Data' Mohamad Salleh Persang,  
Kota Iskandar, 79100 Mawajaya,  
Johor Darul Ta'zim.

Tel : 07-2661361  
Fax : 07-2661362  
E-Mail : jnp@johor.gov.my  
<http://www.johorparka.johornt.gov.my>  
johorparka@dnb

Our Ref : P.T.N.(J) 3/63 Jilid 4 (14)  
Date : 11 January 2002

Mr. Yanick Glemarec  
Executive Coordinator UNDP-GEF

Ms Monique Barbou  
CEO for the Global Environment Facility

Dear Sir and Madam,

Subject: Co-financing for UNDP-GEF Project "Enhancing Effectiveness and Financial Sustainability of Protected Areas in Malaysia"

This is to confirm that Johor National Parks Corporation, as one of the key contributors and beneficiaries of the project "Enhancing Effectiveness and Financial Sustainability of Protected Areas in Malaysia", will provide co-financing of US\$ 3.6 million through counterpart staff time for project management and project activities, as well as complementary activities that will contribute to Outcome 3 Effective Site-Level PA Management to ensure successful implementation of the demonstration project in Endau-Rompin National Park.

2. Your support in this project is highly appreciated.

Sincerely,

H.E. Shahrin bin H.E. Hashim  
Director  
Johor National Parks Corporation

- Copy to: 1. Dr. Lim Kok Fei, GEF Operational Focal Point  
2. Zurina Pawanteh, CBD Focal Point, Ministry of Natural Resources and Environment  
3. UNDP Resident Representative  
4. Midori Paxton, Regional Technical Advisor for Biodiversity covering the country

Perbadanan Taman Negara (Johor)

United Nations Development Programme



23 December 2011

Dear Yannick,

**Subject: Co-financing for UNDP-GEF Project "Enhancing Effectiveness and Financial Sustainability of Protected Areas in Malaysia"**

UNDP Malaysia is very pleased to be an active partner in the development of this project on "Enhancing Effectiveness and Financial Sustainability of Protected Areas in Malaysia". It is because its main interventions – capacity building in public sector and local communities, good governance and sustainable financing system for protected area management align with our country programme.

This letter is to confirm that UNDP Malaysia will provide co-financing in the amount of US\$ 100,000 through complimentary activities including capacity building of relevant government agencies through a scoping study for the payment for ecosystem mechanisms development and activities for building transformative financing framework to increase investment in biodiversity management.

We look forward to continuing our support to Malaysia in the implementation of the United Nations Convention on Biological Diversity through this and other initiatives.

*Season's Greetings and Happy New Year!*

Best wishes,

A handwritten signature in black ink, appearing to read 'Kamal Malhotra', is written over the typed name.

Kamal Malhotra  
Resident Representative

Yannick Glemarec  
Executive Coordinator UNDP-GEF  
UNDP  
New York, NY 10017

Street Address: Wisma UN, Block C, Kompleks Pejabat Damansara, JalanDungun, Damansara Heights, 50490 Kuala Lumpur  
Telephone: 2095 9122 Facsimile: 2095 2870 E-mail: registry.my@undp.org URL: <http://www.undp.org.my>  
Mailing Address: P.O. Box 12544, 50782 Kuala Lumpur

## PART II: PA PROFILE

Taman Negara National Park	
1.	<p>Site description – physical and biological overview</p> <p>Taman Negara National Park is the largest protected areas in Malaysia and is also one of the oldest (established in 1938-1939).</p> <p>Many of the tributaries of Sungai (river) Pahang, the largest river in Peninsular Malaysia, have their headwaters in this park Sungai Tahan and Sungai Teku form the headwaters of the Tahan river system, which flows down from Gunung Tahan into Kuala Teku (DWNP, 1987). Sungai Tahan is also drained by other tributaries from the peat soils of the montane forest before converging with Sungai Tembeling, and it is one of the few black water rivers in Peninsular Malaysia (Davis <i>et al.</i>, 1995). Sungai Tahan and Sungai Teku are referred to as the “Saraca” type streams; while other tributaries are grouped under the lowland or “neram” type streams because of the presence of neram trees along the river banks (DWNP, 1987). Along Sungai Tembeling, the characteristic neram trees (<i>Dipterocarpus oblongifolius</i>) can be found overhanging the sides of the river banks (Payne, 1990).</p> <p>The rugged topography of the park gives rise to a mixture of lowland forests, hill forests, montane forests, “padang” or heath vegetation on summits, and riparian communities (Davis <i>et al.</i>, 1995, p.316). The unique karsts formation within the park contains a rich endemic flora of the limestone vegetation (Davis <i>et al.</i>, 1995). Gunung Tahan is the highest mountain in Peninsular Malaysia at 2,188m, and it is located to the north and east of the park (Davis <i>et al.</i>, 1995). Gunung Tahan consists of sandstone with quartzite intrusions (Davis <i>et al.</i>, 1995). Gua Peningat at 723m is the highest limestone hill in the peninsula, and it is located to the west of the park (Davis <i>et al.</i>, 1995). In the central lowland area of the park of the landscape is dominated by the Kenyam and Gunung Besar groups of limestone hills (Davis <i>et al.</i>, 1995).</p> <p>It is to note that the climate in Peninsular Malaysia varies only slightly throughout the country, and the difference between mean monthly maxima and minima is only 3.3°C (Davis <i>et al.</i>, 1995). The weather in the south of the park is characterised by permanent high temperatures between 20°C to 35°C during the day time, and high humidity above 80% (DWNP, 1987, p.35). During the drought season in the early part of the year that lasts for about eight weeks, the summits that are either bare rock or covered by a thin layer of soil suffer severe water stress (Davis <i>et al.</i>, 1995).</p>
2.	<p>Threats to conservation</p> <p>Historically, logging, hydroelectric dams, lack of buffer zone, tourist developments, and conversion of forests to agricultural lands were the major threats (Davis <i>et al.</i>, 1995; DWNP, 1987). Currently wildlife poaching and developments in buffer areas can be considered to be the main threats.</p>
3.	<p>Conservation importance – park features</p> <p>The park is a centre of biodiversity and a centre of endemism. However, no up-to-date inventory exists and the only checklists available are for Gunung Tahan and the limestone, in part due to the accessibility of these places through the tributaries of Sungai Tembeling (Davis <i>et al.</i>, 1995, p.317). Some of the research done on flora and fauna of this park can be found in the special issue of the <i>Journal of Wildlife and Parks</i> (DWNP, 1990).</p> <p>Of the 134 species of ferns and fern allies reported, two species, <i>Selaginella mirabilis</i> and <i>Tectaria translucens</i>, are endemic to this park (Parris &amp; Edwards, 1987, Davis <i>et al.</i>, 1995). One palm species, <i>Livistonia tahanensis</i>, is endemic to this park (Dransfield and Kiew, 1990 in Davis <i>et al.</i>, 1995). Other endemic species include: <i>Anerincleistus fruticosus</i>, <i>Argostemma albociliatum</i>, <i>A. elongatum</i>, <i>A. musciola</i>, <i>Begonia longicaulis</i>, <i>B. rheifolia</i>, <i>Loxocarpus angustifolia</i>, <i>Didissandra castaneifolia</i>, <i>Gentiana malayana</i>, <i>Podocarpus deflexus</i>, <i>Rhododendron seimundii</i>, <i>Sonerila calycula</i>, <i>S.patula</i>, <i>S.setosa</i>, <i>Utricularia nigricaulis</i>, and <i>Xyris grandis</i> (Davis <i>et al.</i>, 1995). Endemic plants found in the riparian areas include <i>Ardisia cardiophylla</i>, <i>Glycosmis perakensis</i>, and <i>Hoya pusilla</i> (Davis, <i>et al.</i>, 1995).</p> <p>More details of the flora by elevation zones can be found in the Taman Negara National Plan (DWNP, 1987).</p> <p>The large expanse of forests within the park is habitat to many mammals, including the endangered Sumatran rhinoceros (<i>Dicerorhinus sumatrensis</i>), elephants (<i>Elephas maximus</i>), sun bear (<i>Helarctos malayanus</i>), white-handed gibbon (<i>Hylobates lar</i>), Malayan tapir (<i>Tapirus indicus</i>), seladang (<i>Bos gaurus</i>), sambar deer (<i>Rusa unicolor</i>), mouse deer (<i>Tragulus spp.</i>), barking deer (<i>Muntiacus muntjak</i>), wild pig (<i>Sus scrofa</i>), and the black giant squirrel (<i>Ratufa bicolor</i>) (Payne, 1990, p.74-77; DWNP, 1987, p.40). The population of the critically endangered (IUCN) Malayan tiger <i>Panthera tigris jacksoni</i> in the park is estimated to be 68 (Kawanishi and Sunquist, 2004).</p>
4.	<p>PA Management Overview – staffing, budget, management plan, business plan, etc</p>

<ul style="list-style-type: none"> <li>• Staff – 116 permanent; 3 temporary</li> <li>• Budget – RM4.3 million, Funding from MoTour – RM450,000</li> <li>• Plan – There is a master plan for the whole protected area and a management plan for the park. It was last revised in 2000.</li> </ul>
<p>5. Socio-economic Issues</p>
<p>The park is a major tourist attraction with an estimated number of visitors at 103,607 (47,094 of whom are international) in 2009 (NRE, 2006). This is the total visitor number for Taman Negara Pahang, Kelantan and Terengganu but the bulk of the visitors are entering through Taman Negara Pahang. The park is considered to be a gene pool for commercially important species of timber trees, indigenous fruit trees, rattans, orchids, and medicinal plants (Davis <i>et al.</i>, 1995, p.317). The indigenous Batek people, who are residents of the park, are dependent on the forest resources for their building materials, fuel wood, food, medicines, and other daily necessity (DWNP, 1987, p.41).</p>
<p>6. Reference sources</p>
<p>Davis, S.D., Heywood, V.H., and Hamilton, A.C., (eds). 1995. <i>Centres of plant diversity: A guide and strategy for their conservation</i>. UK: World Wide Fund for Nature (WWF) and IUCN-The World Conservation Unit.</p> <p>DWNP. 1987. <i>Taman Negara Master Plan</i>. KL, Malaysia: Department of Wildlife and National Parks.</p> <p>DWNP. 1990. A special issue to commemorate the golden jubilee of Taman Negara 1939-1989. <i>Journal of Wildlife and Parks, ISSN 0121 – 8126, Vol X – 1990</i>.</p> <p>Kawanishi and Sunquist. 2004. Conservation status of tigers in primary rainforest of Peninsular Malaysia. <i>Biological Conservation</i> 120: 329-244.</p> <p>Payne, J. 1990. <i>Wild Malaysia: the wildlife and scenery of Peninsular Malaysia, Sarawak and Sabah</i>. Produced in association with the World Wide Fund for Nature, Malaysia (WWF). UK: New Holland (Publishers) Ltd.</p>

Endau Rompin National Park
<p>1. Site description – physical and biological overview</p>
<p>Endau Rompin National Park is the southern-most extent of the last remaining lowland rainforest in Peninsula, (Tho, 1988). Endau The park is mostly hilly with some prominent sandstone plateaus (Tho, 1988): Gunung (mount) Besar at 1,036m is the highest peak in the western part of the park (Tho, 1988). Together with the centrally located Gunung Beremban (839m) and Bukit Peta (552m) in the east of the park, they demarcate the Johor-Pahang boundary (Tho, 1988). Several major rivers, including Sungai Endau, Sungai Selai, and Sungai Jasin on the Johor side, and the Sungai Rompin in Pahang Sungai Endau and Sungai Rompin have their headwaters in this park, and they flow eastward into the South China Sea (MNS, 1988; Davis <i>et al.</i>, 1995).</p> <p>The mean annual temperature is around 27°C, with mean annual precipitation between 2,000 to above 3,000mm (Tho, 1988). The temperature at the forest ground generally does not reach above 25°C, indicating the role of forests in regulating the hot tropical temperatures (Tho, 1988). The eastern side of the park is wetter than the western side, which has only about two-third of the wetter eastern total precipitation (MNS, 1988). This park is less affected by the southwest monsoon, and there is no distinct dry season (MNS, 1988). During April to May a major flowering of big trees occur, with mass fruit ripening in July to August (MNS, 1988). The yearly flooding of the Sungai Jasin and Sungai Endau had a big influence on the river-side vegetation formations (MNS, 1988).</p> <p>The geology of this park consists of the earliest known volcanic outpouring referred to as “ash flow eruption” (MNS, 1988), dating back to some 280 million years ago (Zakaria Hussain <i>et al.</i>, 2008). Through the study of sandstone deposition, it was predicted that Endau Rompin National Park originated from dry land instead of marine environment (MNS, 1988). Many unique landforms and shapes of rocks have much to do with the forces of water (MNS, 1988). An interesting feature is the round “bath tubs” at Jeram Upeh Guling, on top of the waterfalls (MNS, 1988). Another is the infamous Buaya Sangkut waterfall, which is the largest known waterfall within this park (Zakaria Hussain, <i>et al.</i>, 2008).</p> <p>There are five forest types described on account of the MNS scientific expedition in 1985-1986: the Keruing-Red Meranti forest below 250m altitude, the kapur forest below 300m altitude, seraya ridge forests, <i>Livistona</i> palm forests, heath forests (less developed than Sarawak’s), and “padang” communities on shallow podzols (Tho, 1988; Davis <i>et</i></p>

<p>al.). They are broadly classified as lowland dipterocarps and edaphic hill forests (Tho, 1988). The lowland and hill vegetation have some affinity to that of the coastal parts of Sarawak (Tho, 1988).</p>
<p>2. Threats to conservation</p>
<p>Potential pressure from logging (MNSa, 1988, p.12), clearance for development schemes, tourist facilities, and commercial collection of ornamental plants (Davis et al., 1995, p.33).</p>
<p>3. Conservation importance – park features</p>
<p>Some of the endemic plant species found only in this park include the <i>Loxocarpus tunkui</i>, a new species of African violet named after Tunku Abdul Rahman Putra Al-Haj, <i>Phyllanthus watsonii</i>, <i>Schoutenia furfuracea</i>, <i>Didymocarpus falcatus</i>, <i>Phyllagathis cordata</i>, <i>Phyllanthus stolonifera</i>, and <i>Calamus endauensis</i>, a rare species of rattan, and <i>Livistona endauensis</i>, a fan palm that is only found on hill tops over sandstone (Tho, 1988).</p> <p>The largest population of the critically endangered (as listed in IUCN) Sumatran rhinoceros (<i>Dicerorhinus sumatrensis</i>) used to be found in this park (MNS, 1980). The fresh prints of tapir (<i>Tapirus indicus</i>) and tiger (<i>Panthera tigris</i>) are also commonly seen in this park (MNS, 1988). Other fauna recorded include 25 species of frogs, 48 species of fish, 195 species of birds, 11-14 species<sup>14</sup> of snakes, 279 species of butterflies (Anon., 2007). Of particular interest are the rare monitor lizard <i>Varanus rudicollis</i>, the dark green tree-living frog <i>Rhacophorus tunkui</i>, Rajah Brooke butterfly <i>Trogonoptera brookiana</i>, the endemic trapdoor spider <i>Liphistius endau</i>, the globally endangered (as listed in IUCN) aquarium fish, Kelesa (<i>Sclerophages formosus</i>), the wingless grasshoppers <i>Sedulia specularia</i>, and a new crab discovered to be living inside the pitcher plant <i>Nepenthes ampullaria</i>. In addition, The New Straits Times reported a new species of fish in the genus <i>Sundasalynx</i> was found by a research team in 2005 (Sittamparam, 2005).</p>
<p>4. PA Management Overview – budget, staffing, management plan, business plan, etc</p>
<ul style="list-style-type: none"> <li>• Staff – 34 permanent; 41 temporary (part-time)</li> <li>• Budget – MYR 3 million</li> <li>• Management plan available (last revised 2000)</li> </ul>
<p>5. Socio-economic Issues</p>
<p>The park holds a diversity of flora with medicinal and agricultural values. Many wild relatives of the agricultural crops are found in the park, which serves as important sources for genetic improvement of crops (Tho, 1988). The forest resources are also utilised by the Jakun or Orang Hulu (indigenous) people of northern Johor for whom the forest is a nature's "drug store" with more than 50 species of medicinal plants, including Tongkat ali (<i>Eurycoma longifolia</i>), wild yam (<i>Dioscorea</i> sp.) and <i>Anisophyllea disticha</i> (Tho, 1988).</p>
<p>6. Reference sources</p>
<p>(Anon.) 2007. <i>Khazanah Endau Rompin Herba</i> (2007). Kuala Lumpur, Malaysia: Utusan Publications &amp; Distributors Sdn. Bhd.</p> <p>Davis, S.D., Heywood, V.H., &amp; Hamilton, A.C., (eds). (1995). <i>Centres of plant diversity: A guide and strategy for their conservation</i>. UK: World Wide Fund for Nature (WWF) and IUCN-The World Conservation Unit.</p> <p>MNS. 1988. <i>Endau Rompin: a Malaysian heritage</i>. Kuala Lumpur, Malaysia: Malayan Nature Society.</p> <p>Sittamparam, R. (2005, March 9). New species of prehistoric fish found. <i>New Straits Times</i>. Retrieved July 29, 2010, from <a href="http://www.flmnh.ufl.edu/fish/InNews/prehistoric2005.html">http://www.flmnh.ufl.edu/fish/InNews/prehistoric2005.html</a></p> <p>Tho, Y.P. (ed.).1988. <i>Endau-Rompin park management guidelines</i>. Kuala Lumpur: Malayan Nature Society.</p> <p>Zakaria Hussain, et. al. (2008). Geoheritage of Malaysia. In: <i>Geoheritage of East and Southeast Asia</i>. (LESTARI and CCOP). Kuala Lumpur, Malaysia: Ampang Press Sdn. Bhd.</p>

<b>Royal Belum State Park</b>	
1.	<p>Site description – physical and biological overview</p> <p>The Royal Belum is located in northern Perak State, adjoining the forests in Kelantan and southern Thailand (Wong, 2003). It covers almost the whole of the northern tip of Perak north of the East-West Highway, and the park is accessible by about 45 minutes drive from Gerik.</p> <p>The Royal Belum is composed mainly of tropical rainforest, with many river systems, and small grassland areas, some abandoned agricultural plots, and Tasik Temengor, a large man-made lake (Suksuwan &amp; Kumaran, 2003). The forest types found in the park include lowland dipterocarp, hill dipterocarp and lower montane forests with a distinctive northern element it is located at the meeting point of Burmese-Thai and Malesian elements (Davis <i>et al.</i>, 1995). The Royal Belum is part of the larger Belum-Temengor forest landscape, one of the largest blocks of forest in Peninsular Malaysia (Suksuwan &amp; Kumaran, 2003).</p> <p>The park is also of geological interest because the oldest rocks are dated 208-245 million years old and they form the top end of the Titiwangsa Range or Main Range, which is the backbone or forest spine of Peninsular Malaysia (Wong, 2003).</p>
2.	Threats to conservation: Wildlife poaching in and around this park is the main threat to biodiversity conservation.
3.	<p>Conservation importance – park features</p> <p>Wildlife surveys show that Royal Belum State Park is an important habitat for large mammals like the seladang (<i>Bos gaurus</i>), Asian elephant (<i>Elephas maximus</i>) and Malayan tiger (<i>Panthera tigris jacksoni</i>). The park is also a habitat of the endangered Sumatran rhinoceros (<i>Dicerorhinus sumatrensis</i>), although the existence of a viable population there is in question (Ahmad Zafir <i>et al.</i>, in press). Belum-Temengor is the only forest in Malaysia with all 10 species of Malaysian hornbills including large flocks of the plain-pouched hornbill (<i>Aceros subruficollis</i>) (Yeap <i>et al.</i>, 2005).</p> <p>The flora includes a diversity of tree species of which some are rare or endangered restricted only to the northern Perak, such as the <i>Actinodaphne cuspidata</i>, <i>Ardisia perakensis</i>, and <i>Mangifera whitemorei</i> (Davis <i>et al.</i>, 1995).</p>
4.	<p>PA Management Overview – budget, staffing, management plan, business plan, etc</p> <ul style="list-style-type: none"> <li>• Staff – 15 permanent</li> <li>• Budget – RM 700,000</li> <li>• There is no management plan. WWF-Malaysia is preparing a management plan, the draft plan of which is to be produced by end of 2010.</li> </ul>
5.	<p>Socio-economic Issues</p> <p>The National Ecotourism Plan identifies the Belum area as a priority site for ecotourism. Tourism is becoming an increasingly important economic activity but the Royal Belum State Park's potential as a major tourism destination is hampered by the difficulty in accessing the park due to the security status of the area. The Royal Belum State Park has a significant population of indigenous Jakun people with the largest settlement being the Sungai Tiang resettlement village. The Jakun people depend to a large degree on the resources of the surrounding forest for their livelihoods.</p>
6.	<p>Reference sources</p> <p>Ahmad Zafir Abdul Wahab, Azlan Mohamed, Lau, C.F., Payne, J., Alfred, R., Sharma, D.S.K., Nathan, S. &amp; Clements, R. In press. Now or never: what will it take to save the Sumatran rhino (<i>Dicerorhinus sumatrensis</i>)?</p> <p>Davis, S.D., Heywood, V.H., &amp; Hamilton, A.C., (eds). 1995. <i>Centres of plant diversity: A guide and strategy for their conservation</i>. UK: World Wide Fund for Nature (WWF) and IUCN-The World Conservation Unit.</p> <p>MOSTE- Ministry of Science, Technology and the Environment. (1997). Assessment of biological diversity in Malaysia. KL, Malaysia.</p> <p>Suksuwan, S. &amp; Kumaran, S. 2003. A proposal for a management plan for the Royal Belum, Perak Darul Ridzuan, with some recommendations. Unpublished technical report by /WWF-Malaysia.</p> <p>Wong, S.L. 2003. <i>The Royal Belum</i>. Petaling Jaya, Malaysia: Perbadanan Taman Negeri Perak.</p> <p>Yeap, C.A., Lim, K. C. &amp; Noramly, G. 2005. <i>A survey of globally threatened and near-threatened hornbills in the Belum-Temengor Forest Complex, Important Bird Areas in Peninsular Malaysia</i>. Kuala Lumpur, Malaysia: MNS-Bird Conservation Council (MNS-BCC Malaysian Hornbill Report No.5)</p>

### PART III: STAKEHOLDER INVOLVEMENT PLAN

#### STAKEHOLDER IDENTIFICATION

During the project preparation stage, a stakeholder analysis was undertaken in order to identify key stakeholders, assess their interests in the project and define their roles and responsibilities in project implementation. Tables 11 and 12 below describe the major categories of stakeholders identified, and the level of involvement envisaged in the project.

#### INFORMATION DISSEMINATION, CONSULTATION, AND SIMILAR ACTIVITIES THAT TOOK PLACE DURING THE PPG

During the project development phase, numerous consultations were made with a large number of stakeholders at the Federal, State and Site levels which included all affected government institutions, research and academic institutions and NGOs to discuss different aspects of project design. These consultations were bilateral discussions; visits to pilot sites; meetings, workshops and electronic communications as summarised below. The project activities were jointly developed with the stakeholders at working group meetings.

- Official meetings hosted by the implementing agency (DWNP) in the presence of representatives from UNDP-CO, NRE, EPU, MOF, JNPC, PSPC, Wildlife Conservation Society and WWF-Malaysia. The purpose of the meeting were to seek their views on how the Project will complement existing initiatives; assess site related issues that need to be addressed; identify other stakeholders who will benefit and/or may influence the Project. Commitments in principle were also sought on the co-financing for implementation.
- Private consultations with EPU, MOF, PSPC, JNPC, Ministry of Plantation Industries and Commodities, Ministry of Tourism and Johor State Economic Planning Unit to introduce the Project, and discuss their potential roles and contributions with respect to PA financing.
- Site visits and meetings with PA staff in Taman Negara, Endau-Rompin National Park and Royal Belum State Park and local communities to conduct the METT assessment and concerns of various parties.
- Workshop attended by key stakeholders including NGOs to finalise the Project Document; seek consensus in the Project Outcomes/Outputs; seek additional inputs to their roles in implementation, and develop consensus on the Project's management arrangements.

#### APPROACH TO STAKEHOLDER PARTICIPATION

The project's approach to stakeholder involvement and participation is premised on the principles outlined in the table below.

*Table 11: Stakeholder participation principles*

Principle	Stakeholder participation will:
Value Adding	Be an essential means of adding value to the project
Inclusivity	Include all relevant stakeholders
Accessibility	Be accessible and promote involvement in decision-making process
Transparency	Be based on transparency and fair access to information; main provisions of the project's plans and results will be published in local mass-media
Fairness	Ensure that all stakeholders are treated with respect in a fair and unbiased way
Accountability	Be based on a commitment to accountability by all stakeholders
Constructive	Seek to manage conflict positively and to promote the public interest
Redressing	Seek to redress inequity and injustice
Capacitating	Seek to develop the capacity of all stakeholders

Principle	Stakeholder participation will:
Needs Based	Be based on the perceived and real needs of all stakeholders
Flexible	Be flexibly designed and implemented
Rational and Coordinated	Be rationally planned and coordinated, and not on an <i>ad hoc</i> basis
Excellence	Be subject to on-going reflection and improvement

The project will focus stakeholder engagement at two levels of intervention: (i) working with federal and state institutions and agencies in order to strengthen their capacity to increase management effectiveness and financial sustainability of the PA system; and (ii) working directly with civil society organisations, formal and informal resource users, private sectors and individuals to mitigate impacts and optimise benefits of project activities. Project Steering Committee (PSC) and the three Local Committees (LC) at site level will be the vehicle for stakeholder involvement. The project will be launched by a well-publicized multi-stakeholder inception workshop. This workshop will provide an opportunity to provide all stakeholders with updated information on the project as well as a basis for further consultation during the project's implementation, and will refine and confirm the work plan.

Stakeholder consultations during project implementation will promote engagement, and be guided by principles of functionality, transparency, accountability and participation (FTAP). The project will make efforts to ensure that a) stakeholder identification processes are undertaken, b) there is consistent representation of key stakeholders especially indigenous people and women groups at all consultation venues and events, particularly at the level of the project steering committee and technical working groups, c) appropriate communications protocols will be followed (for example through official documentation, notifications, meeting notes and assignments of areas of responsibility for follow up actions, etc.), d) inclusion of stakeholders in knowledge management strategy design and implementation. These are common practice and an ideal forum for imparting knowledge and building capacity among different individuals (civil service, NGO, academic, etc.) involved in the implementation of UNDP/GEF projects and involved in environmental projects in Malaysia in general.

A key element of stakeholder engagement will be captured in the social marketing activities, which will be oriented towards generating and disseminating knowledge, modifying attitudes and changing behaviours. Social marketing initiatives are targeted and will be customized according to the audience.

In addition, the project will encourage inclusive processes that will enhance partnerships through a consensus building approach. This may involve "institutionalization" of processes (which are at present, conducted in an ad hoc manner) through joint participation on technical working groups or task forces. This could be formalized through various instruments such as a) using NGOs and private sector as services providers for delivery of project-related outputs on a contractual basis, b) Memoranda of Understanding etc, where all parties will identify and define respective roles, responsibilities, levels of investment, dispute resolution etc. Or, c) formal agreements that are on commercial terms if these become part of the revenue diversification strategy of the PA management authority. In these cases, there would be increased emphasis on risk mitigation and risk sharing, as well as formulae for sharing and distribution of benefits.

#### STAKEHOLDER INVOLVEMENT PLAN

The following stakeholders have been identified and will be full involved in the project implementation. During the inception phase of the project, the plan will be further refined, identifying output specific means of stakeholder engagement.

*Table 12: Stakeholder Matrix*

Stakeholder	Roles and responsibilities	Potential stake/involvement in the project
Ministry of Natural Resources and Environment (NRE)	Formulation, coordination and implementation of policies related to natural resources and the environment.	National focal point for this GEF project. Facilitate the coordination of project implementation amongst various agencies. Primary institution within the national coordination mechanism, as host of emerging National Biodiversity Centre Central government body for policy-related dialogue with respect to legal and institutional framework for financial sustainability of PA system Some personnel will be beneficiaries of training and capacity building
Department of Wildlife and National Parks (DWNP) under NRE	Overall management of wildlife as well as a number of national parks and wildlife reserves. POWPA Implementation	Primary implementing agency and Project Directorship. Principal contributors and beneficiaries of training and capacity building Key role as host of Institute of Biodiversity, which will become a key provider of technical assistance and support services for PA management to internalize and maintain performance standards Lead institution within law enforcement framework
Forestry Department Peninsular Malaysia (FDPM) under NRE and State Forestry Departments under FDPM	Management of Permanent Reserved Forests including protection forests (protected areas)	Key contributors and beneficiaries for training and capacity-building. Will play important role in setting up of the performance standards and performance based fiscal transfer system, as well as other the state level interventions, and PA network expansion.
Economic Planning Unit Environment and Natural Resources Economics Section (ENRES)	Development of strategies and policies in determining financial allocations for the various sectors of the national economy.	Key policy inputs on the performance-based system for transfer of Federal development funds to sub-national PA networks. Will benefit from capacity building with respect to economic valuation of ecosystems
Ministry of Finance	Collection of revenues (tax, customs etc) and preparation of annual budgets for the government and for establishing and maintaining financial mechanisms for fund transfers.	Advise on increasing the transfer of funding from Federal government to sub-national PA networks. Advise how to create a budget line for PA management in the 5-year development plan, and also annual budget. Advise on how to restructure the mechanisms for transfer of Federal funding to State agencies. Key policy inputs on the performance-based system for transfer of Federal funds to sub-national PA networks. Will benefit from capacity building with respect to economic valuation of ecosystems
Pahang State Forestry Department	Management of Permanent Reserved Forests including protection forests and state park (protected areas)	A potential contributor and beneficiary of the project including in the implementation of demonstration projects. A key agency in the expansion of the sub-national PA network.
Johor National Parks Corporation	Management of State parks in Johor.	A potential contributor and beneficiary of the project including in the implementation of demonstration projects. A key agency in the expansion of the sub-national PA network.
Perak State Parks Corporation	Management of State parks in Perak (currently only the Royal Belum State Park).	A potential contributor and beneficiary of the project including in the implementation of demonstration projects. A key agency in the expansion of the sub-national PA

Stakeholder	Roles and responsibilities	Potential stake/involvement in the project
		network.
Ministry of Tourism	Development of tourism facilities including within PAs, training of nature guides and tourism promotions of selected PAs.	Formulate tourism policies that benefit PAs. Provide advice on process for how the ministry can contribute towards performance-linked financial support for PA management. Influence other government agencies and private operators to provide additional financial support to PAs for relevant infrastructure
Ministry of Energy, Green Technology and Water	Policy formulation and regulation related to energy and water and promotion of green technology	Potential partner in establishing PES schemes for the energy and water sectors. Participation in climate change related consultations, including hazards analysis and vulnerability assessments
Ministry of Science, Technology and Innovation	Policy formulation and regulation related to biotechnology and bioprospecting	Potential partner in establishing PES schemes related to bio-prospecting and funding of R&D in PAs
Selected State Treasuries	Collection of revenues (tax, customs etc) and preparation of annual budgets for the State government and for establishing and maintaining financial mechanisms for fund transfers within the State.	Advise on basis of transfer of funding from Federal government. Advise on how to restructure the mechanisms for receiving Federal funding to State agencies.
Selected State Economic Planning Units	Cross sectoral coordination and development planning and implementation.	Coordination of agencies related to project implementation at State level. Integration of Federal policies into State planning Human resource development related to State managed PAs
Department of Town and Country Planning	Formulation of land use policies and plans at the national, state and local levels.	Key role in ensuring the integration of protected area considerations in overall land use planning.
Public Services Department	Overall policy related to HRD in the public sector	To be a partner in addressing the gaps related to HRD in the PAs as well as coordination with MoF on financing of additional posts
Malaysian environmental NGOs	Advocacy for better PA management, shape public opinions on PAs.	Provide technical inputs to the project, help carry out capacity building and awareness activities. Complementary interventions at national level (e.g. WWF) and in demonstration PAs (e.g. WCS in Endau-Rompin, Johor)
Private Companies and Industry Associations (tourism, logging, plantation)	Land and resource user in and around the PAs Regulation, promotions, development and research related to the particular sector.	Influencing private operators to provide support to PAs. Mainstreaming of biodiversity in the operation areas adjacent to the PAs Potential source of financing through CSR
Forest Research Institute of Malaysia (FRIM)	Research in forest biodiversity and development of tools for forest resource management.	Provide technical inputs to the project particularly on threatened ecosystems and plants.
Individual PA managers	Day-to-day management of PAs	Key recipients of capacity building initiatives under the project. Responsible for the implementation of

Stakeholder	Roles and responsibilities	Potential stake/involvement in the project
and staff		demonstration projects.
Local communities	Resource users, co-managers	Key stakeholders and project participants under component 3: site level activities at the target PAs, in particular management and business planning and implementation. Village and community leaders will be the main counterparts in linking the project objectives and activities to the needs of the people in the project area.
Department of Orang Asli Development (JAKOA)	Regulator of indigenous people's affairs in Peninsular Malaysia.	Provide access to indigenous peoples in and around PAs for their participation in the project.
Centre for Orang Asli Concerns (COAC)	Advocate for the protection and promotion of the indigenous people's rights in Peninsular Malaysia.	Provide views on involvement and concerns of indigenous peoples in relation to activities of the project

#### *PART IV: TERMS OF REFERENCES FOR KEY PROJECT STAFF*

##### **NATIONAL PROJECT DIRECTOR**

The National Project Director (PD) shall be the principal representative of the Department of Wildlife and National Parks in the Ministry of Environment and Natural Resources. The PD will be responsible for the following:

- Assure overall technical and direction for the Project Manager and project team
- Serve as primary liaison with the National Biodiversity Council and the National Project Steering Committee (PSC), particularly the NRE, the Economic Planning Unit, Ministry of Finance, State Governments and other Federal and State Government departments and agencies
- Identify areas of cooperation and provide guidance on the establishment of the national coordination mechanism, particularly with respect to key institutions key institutions such as the Institute of Biodiversity and National Biodiversity Centre
- Ensure quality control for project related technical reports, presentations, publications, training manuals/guides and other materials
- Assist in obtaining cooperation, information and support from various departments and agencies within the NRE system
- Represent the project in key national and international fora

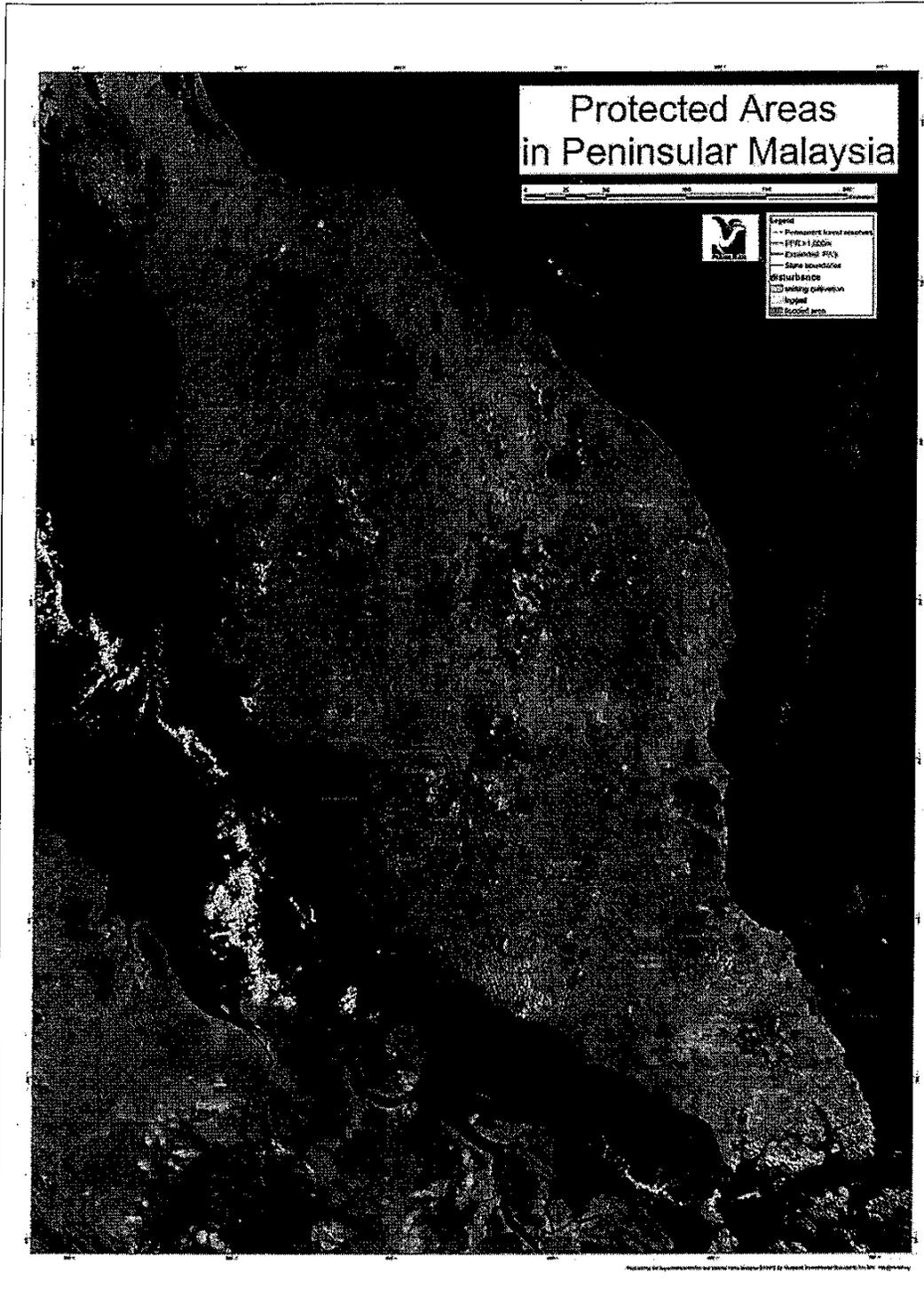
##### **PROJECT MANAGER/PA SPECIALIST**

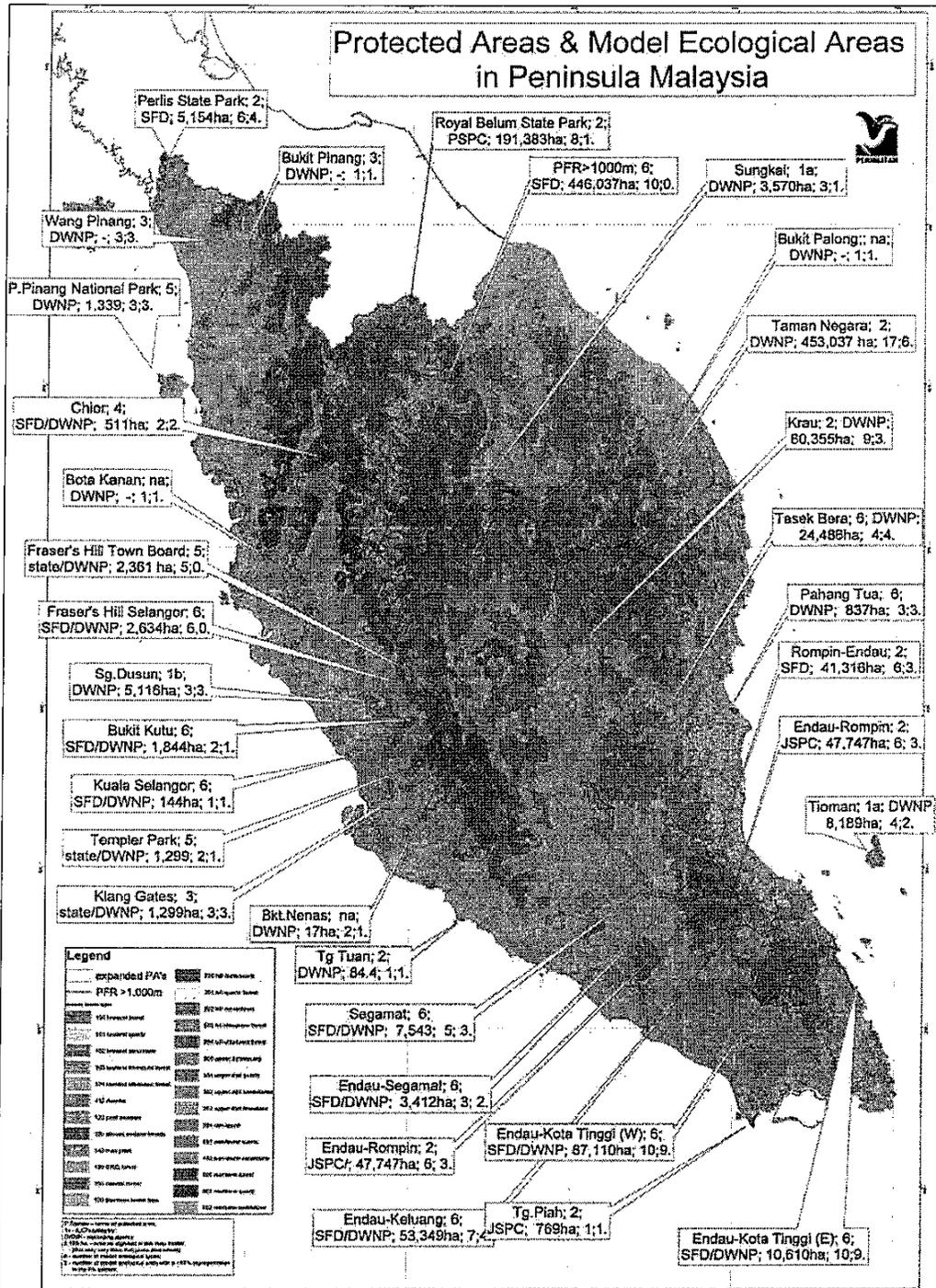
The National Project Manager (PM) is overall responsible for timely and quality outputs of the project and reporting. S/he has both project management and technical functions, reports to the Project Director and will be responsible for the following:

- Provide oversight, strategic direction, technical and programmatic support for three project components to ensure successful project implementation
- Oversee and ensure timely submission of the Inception Report, Combined Project Implementation Review/Annual Project Report (PIR/APR), Technical reports, quarterly financial reports, and other reports as may be required by UNDP, GEF, SFA and other oversight agencies;

- Disseminate project reports and respond to queries from concerned stakeholders;
- Report progress of project to the steering committees, and ensure the fulfilment of steering committees directives.
- Oversee the exchange and sharing of experiences and lessons learned with relevant community based integrated conservation and development projects nationally and internationally;
- Ensures the timely and effective implementation of all components of the project;
- Lead the team in development, coordination and delivery of capacity-building tools and instruments, policy processes and knowledge management / communications
- Build and maintain high-level contacts in the public and private sectors to support project activities
- Manage project budget and related processes, tracking and achievement of performance indicators and contractually obligated outputs and deliverables
- Guide project procurement activities. Develop term of reference, manage selection processes and contract administration for project employees, consultants and subcontractors. Undertake performance evaluations as necessary
- Lead efforts to establish and maintain linkages with related GEF, UNDP and other development assistance projects and stakeholders
- Design measures to adapt, improve and strengthen project delivery
- Review and contribute to all component work plans and balance resources across component activities as appropriate for achieving project targets
- Prepare project reports, presentations, technical and other materials as required
- Act as the principal representative of the project with UNDP CO, and represent the project in national and international fora as appropriate;
- Liaise with UNDP, relevant government agencies, and all project partners, including donor organizations and NGOs for effective coordination of all project activities;
- Facilitate administrative backstopping to subcontractors and training activities supported by the Project;
- Ensure good communication on project results and lessons, liaising with media and stakeholders.

# ANNEX I: TERRESTRIAL PROTECTED AREAS IN PENINSULAR MALAYSIA





**ANNEX II: BD-1 TRACKING TOOL - SUMMARY RESULTS OF MANAGEMENT EFFECTIVENESS TRACKING TOOLS (METT), FINANCIAL SUSTAINABILITY SCORECARD**

\*Full Tracking Tool is annexed as an excel file.

**Table 13: MET Scores for Target PAs**

Taman Negara	74
Endau-Rompin	58
Royal Belum State Park	53

**Table 14: Summary Threats and Management Barriers / Issues for Three National Parks**

Park	Principal Perceived Threats	Primary Management Barriers
Taman Negara National Park	<ul style="list-style-type: none"> <li>Gathering of non-timber products</li> <li>Isolation from other natural habitats (eg deforestation, dam without effective aquatic life passages</li> <li>Other 'edge' effects on park values</li> <li>Loss of cultural links, traditional knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Regulations are strict and require King's consent for amendments</li> <li>Need law enforcement equipment and training</li> <li>Management plans for 3 sections of park need updating from 2000 versions</li> <li>Need more work on resource inventories (ie lower taxa of flora and fauna, socio-economic information for valuations etc)</li> <li>Increase patrol frequency of monitoring, improve technology, address costs concerns</li> <li>Increase research capacity for monitoring and strengthen partnerships</li> <li>Need more staff for Kelantan and Terengganu sections</li> <li>Need external funding for research and awareness creation</li> <li>Training needed for enforcement, wildlife management (including reintroduction), habitat management, ecotourism management, hospitality etc.</li> <li>Equipment needed include telemetry, camera traps, GPS, surveillance cameras.</li> <li>Budget required for regular maintenance of facilities and equipment in remote areas.</li> <li>Need to expand education and awareness programs beyond students to other stakeholders</li> </ul>

	and management practices	
<p>Endau-Rompin National Park (Johor)</p>	<ul style="list-style-type: none"> <li>• Hunting, killing, &amp; collecting terrestrial animals (including killing of animals as a result of human/wildlife conflict)</li> <li>• Fishing, killing &amp; harvesting aquatic resources</li> <li>• Isolation from other natural habitat (e.g. deforestation, dams without effective aquatic wildlife passages (High)</li> <li>• Loss of keystone species (e.g. top predators, pollinators etc)</li> <li>• Garbage &amp; solid waste entering PA</li> <li>• Storms &amp; flood vulnerability</li> <li>• Loss of cultural links, traditional knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Need mapping and clarity on buffer zones and their management</li> <li>• Need to strengthen engagement with indigenous communities</li> <li>• Visitor management and facilities could be improved with interactive centre developed</li> <li>• Fees collected are low and flow to State and Federal Treasury</li> <li>• Legal status overlaps with the Endau-Kluang Wildlife Reserve</li> <li>• Strengthen delegation of enforcement powers, improving capacity for investigation and prosecution, use of firearms, increasing penalties, introduction of PES</li> <li>• Institutional support and budgeting is increasing but need more capacity building/skill improvement</li> <li>• Potential for tourism is subject to differing, especially as much of the financial support is from the Ministry of Tourism</li> <li>• Park design could benefit from expanded land area</li> <li>• Connectivity park could be improved by securing corridor and buffer areas within the Southern forest complex as defined by the National Physical Plan and the National Tiger Conservation Action Plan</li> <li>• Strengthen boundary marking near settlement areas</li> <li>• Major information gaps include: distribution of flora and fauna (other than large mammals), impacts on aquatic fauna and flora, social impacts on local communities</li> <li>• Resource protection for large mammals within the PA is good (low poaching incidence) but more needs to be done for other biodiversity components and also in the surrounding area. The protection system can still be improved further. Current administrative cooperation with other agencies need to be formalised through legal means</li> <li>• More scope for management-oriented research and long-term biodiversity monitoring. Current research is focused on elephant and tiger al means.</li> <li>• All staff on annual contract basis except for the Director, seconded from the State Civil service. Not enough staff for enforcement, and biodiversity management activities.</li> <li>• Limited opportunities currently for training of field staff in protected area management</li> <li>• Budget enough for basic management purposes but not adequate for specific PA management activities.</li> <li>• External funding needed for research, biodiversity monitoring, awareness &amp; outreach etc.</li> <li>• More vehicles needed and better equipment for enforcement (eg. GPS, walkie-talkie etc.).</li> <li>• Only routine maintenance schedule for vehicles</li> <li>• Lack of marketing and funding for education programme as well as accessibility problems.</li> <li>• Needs for greater commitment to establish ecological corridors as identified by the National Physical Plan. Some incompatible activities still on-going (e.g. off-road expeditions and competitions by 4WD enthusiasts)</li> <li>• Fish stock (including turtles) in the park dependent on the conservation of freshwater swamp forests downstream of the park. The connecting water courses and swamp forests are experiencing a decline in quality. More research required in addition to better coordination with the relevant agencies to ensure ecological link is maintained</li> <li>• Corridors identified through the draft Central Master Plan, but need to be formally established and accepted by all the stakeholders.</li> </ul>

	<p>and/or management practices</p>	<ul style="list-style-type: none"> <li>• Planning of ecosystem-specific needs of the Malayan tiger and the Asian elephant within the PA is undertaken by the National Tiger Conservation Action Plan and the Johor Wildlife Conservation Project</li> <li>• 60-70% of the PA staff hired from the local community but most decisions made at higher level.</li> <li>• Local community inputs may be channelled through official representatives, rather than through interactions with the PA authority</li> <li>• Research and monitoring mainly confined to tiger and elephant, and depend on external support.</li> </ul>
<p>Royal Belum State Park (Perak)</p>	<ul style="list-style-type: none"> <li>• Hunting, killing, &amp; collecting terrestrial animals (including killing of animals as a result of human/wildlife conflict)</li> <li>• Gathering terrestrial plants or plant products (non-timber)</li> <li>• Fishing, killing &amp; harvesting aquatic resources</li> <li>• War, civil unrest &amp; military exercises</li> <li>• Isolation from other natural habitat (e.g. deforestation, dams without effective aquatic wildlife passages)</li> <li>• Loss of keystone species (e.g. top predators, pollinators etc)</li> <li>• Loss of cultural links, traditional knowledge and/or management practices.</li> </ul>	<ul style="list-style-type: none"> <li>• Currently a security area. Permits are needed even for enforcement agencies. This obstacle needs to be removed. Further discussions needed on delegation of powers to other agencies to enforce the State Parks Corporations Enactment</li> <li>• Lack of staff, funding for skills improvement, vehicles, equipment etc.</li> <li>• Not all parties fully understand the objective of protected area</li> <li>• Park is surrounded by other forested areas on three sides, including Hala-Bala Wildlife Sanctuary and Bang Lang National Park in Thailand, but on one side is bordered by the East-West Highway which provides entry points for poachers and encroachers</li> <li>• With respect to boundary demarcation, most public confused between Royal Belum and Temengor</li> <li>• Draft management plan was to be produced by end 2010</li> <li>• Information on species populations and distribution still lacking</li> <li>• Protection control is only effective through the main entry point (Pulau Banding). Need more ranger stations for other entry points especially along the highway.</li> <li>• Information only available for selected species e.g. rhino, tiger, elephant and seladang (DWNP surveys).</li> <li>• Need more staff and training</li> <li>• In addition to the budget for the State Parks Corporation there is also a budget for the Forestry Department to carry out its activities, which are supporting the protection of the state park</li> <li>• State allocation for basic requirements is secure but the park still needs substantial external funding to support activities</li> <li>• Need more vehicles and better communication equipment e.g. walkie-talkies, satellite phones. And ranger stations along the East-West Highway.</li> <li>• Awareness activities for members of the general public are being planned but there is a lack of staff</li> <li>• CFS Master Plan approved but not yet implemented at State level.</li> <li>• There is regular contact with local agencies and there is now a joint enforcement task force at district level, but there is no contact with Thailand and Kelantan governments</li> <li>• Two more campsites proposed for Kenarong and Semelian. Facilities at campsites will remain at basic level and need upgrading</li> <li>• Limited fee collections ongoing (since beginning October 2010)</li> <li>• Programmes include the joint enforcement task force and fish restocking. The military operations in the area may also be a deterrent for encroachers.</li> </ul>

Table 15: Summary of Financial Sustainability Scorecard

PA Network	PA network size (km <sup>2</sup> )	Scorecard		Current Management Costs		Optimal Management Costs - Staff + Operational Cost USD	Financing Gaps USD
		Score	%	MYR	USD		
DWNP	7,100	112	49.8	16,100,000	5,366,667	14,055,000	8,688,333
JNPC	585	100	44.4	4,180,000	1,393,333	1,160,000	-233,333
PSPC	1,180	90	40.0	650,000	216,667	2,335,000	2,118,333

**ANNEX III: CAPACITY SCORECARD**

**Capacity Scorecard Results for Department of Wildlife & National Parks (DWNP) (2010)<sup>15</sup>**

Strategic Area of Support	Issue	Outcome Indicators	Score	Evaluative Comments
1. Capacity to conceptualize and formulate policies, legislations, strategies and programmes	1. The protected area agenda is being effectively championed / driven forward	There is essentially no protected area agenda;	0	At the national level, the Department of Wildlife and National Parks (DWNP) is responsible for the management of national parks and wildlife reserves in Peninsular Malaysia. Protected Area Division was established in 2002 within DWNP to drive the PA agenda. The management of these areas is focused on the planning and implementation of various activities which contribute to the long-term conservation of protected areas while mitigating/ reducing conflicts between human and the environment.  At the state level, state governments have passed state laws and created state agencies to designate and manage PAs.
		There are some persons or institutions actively pursuing a protected area agenda but they have little effect or influence;	1	
		There are a number of protected area champions that drive the protected area agenda, but more is needed;	2	
		There are an adequate number of able "champions" and "leaders" effectively driving forwards a protected area agenda	3	
	2. There is a strong and clear legal mandate for the establishment and management of protected areas	There is no legal framework for protected areas;	0	There is a National Parks Enactment (Kelantan & Terengganu) 1938, National Parks Enactment (Pahang) 1939 and National Parks Act 1980. Revisions to both National Parks Enactments are being considered. Other relevant state laws include Johor National Parks Corporation Enactment 1989, Perak State Parks Corporation Enactment 2003 and Selangor State Parks Enactment 2005.
		There is a partial legal framework for protected areas but it has many inadequacies;	1	
		There is a reasonable legal framework for protected areas but it has a few weaknesses and gaps;	2	
		There is a strong and clear legal mandate for the establishment and management of protected areas	3	
	3. There is an institution or institutions responsible for protected areas able to strategize and plan.	Protected area institutions have no plans or strategies;	0	The DWNP is the authority responsible for the 35 protected areas system, mainly national parks, wildlife sanctuaries and reserves. There is a Protected Area Division to coordinate PA agenda within the department and Protected Area Unit to manage the PAs. Strategic Plan for PA management is prepared every 5 years.  There are also state PA authorities under the state governments i.e. Perak and Johor. However, a coordinating mechanism needs to be strengthened at the national level.
		Protected area institutions do have strategies and plans, but these are old and no longer up to date or were prepared in a totally top-down fashion;	1	
Protected area institutions have some sort of mechanism to update their strategies and plans, but this is irregular or is done in a largely top-down fashion without proper consultation;		2		
Protected area institutions have relevant, participatorially prepared, regularly updated strategies and plans		3		
2. Capacity to	4. There are	There is a general lack of planning and management skills;	0	2

<sup>15</sup> This Capacity Scorecard was completed by UNDP Malaysia on 13 December 2010. The process included direct meeting with Department of Wildlife & National Parks officials from Eco-tourism Division and Protected Areas Division. There were 5 Responders completing Scoring for this Capacity Scorecard. Each responder has familiarity with the PA system. The final scores and comments were reviewed and agreed to by the responders during the meeting.

Strategic Area of Support	Issue	Outcome Indicators	Score	Evaluative Comments
implement policies, legislation, strategies and programmes	adequate skills for protected area planning and management	Some skills exist but in largely insufficient quantities to guarantee effective planning and management;	1	PA Division within DWNP was established in 2002 to plan, monitor and evaluate the protected area programme. Generally, there is a need to upgrade the skills of the staff and increase the number of competent staff at PA sites.
		Necessary skills for effective protected area management and planning do exist but are stretched and not easily available;	2	
		Adequate quantities of the full range of skills necessary for effective protected area planning and management are easily available	3	
	5. There are protected area systems	No or very few protected area exist and they cover only a small portion of the habitats and ecosystems;	0	Most of the habitats types are represented in the PA system. However, some ecosystems such as mangroves, limestone habitats, peatlands are under-represented.
		Protected area system is patchy both in number and geographical coverage and has many gaps in terms of representativeness;	1	
		Protected area system is covering a reasonably representative sample of the major habitats and ecosystems, but still presents some gaps and not all elements are of viable size;	2	
	6. There is a fully transparent oversight authority (there are fully transparent oversight authorities) for the protected areas institutions	The protected areas includes viable representative examples of all the major habitats and ecosystems of appropriate geographical scale	3	2 There are sub-national PA systems under the jurisdiction of DWNP, Forestry Department Peninsular Malaysia, Perak State Parks Corporation and Johor National Parks Corporation. However, the national mechanism needs to be strengthened to coordinate and harmonise these sub-national PA systems.
		There is no oversight at all of protected area institutions;	0	
		There is some oversight, but only indirectly and in a non-transparent manner;	1	
	7. Protected area institutions are effectively led	There is a reasonable oversight mechanism in place providing for regular review but lacks in transparency (e.g. is not independent, or is internalized);	2	2 Existing systems are internalised within the respective PA agencies. However, the national mechanism needs to be strengthened to coordinate and harmonise these sub-national PA systems.
		There is a fully transparent oversight authority for the protected areas institutions	3	
		Protected area institutions have a total lack of leadership;	0	
8. Protected areas have regularly updated, participatorially	Protected area institutions exist but leadership is weak and provides little guidance;	1	Each PA is managed by a PA administration led by a director or a superintendent with varying degrees of capacity and leadership skills.	
	Some protected area institutions have reasonably strong leadership but there is still need for improvement;	2		
	Protected area institutions are effectively led	3		
There is no provision under existing legislations for preparation of management plans for PAs. Only a few major PAs have approved management plans. There is a need to have comprehensive management	Protected areas have no management plans;	0	1 There is no provision under existing legislations for preparation of management plans for PAs. Only a few major PAs have approved management plans. There is a need to have comprehensive management	
	Some protected areas have up-to-date management plans but they are typically not comprehensive and were not participatorially prepared;	1		

Strategic Area of Support	Issue	Outcome Indicators	Score	Evaluative Comments	
	prepared, comprehensive management plans	Most Protected Areas have management plans though some are old, not participatorially prepared or are less than comprehensive;	2	<p>plans for all PAs. The national mechanism needs to be strengthened to provide guidelines and resources to prepare comprehensive management plans through participatory process.</p> <p>Many protected areas are understaffed and most of these staff are from the lower category. There is a general need to increase, professionalise and motivate the staff.</p> <p>Some sub-national PAs have bare minimum number of staff to manage PAs. As a result, there is a major gap in terms of staffing and qualification as reported in the EPU-DANIDA study.</p> <p>Only a few major PAs have developed and implemented management plans.</p> <p>PA institutions are mainly dependent on government funding and such funding is limited.</p> <p>At the level of the PA site, there needs to be clarity provided to PA authorities / managers on their roles with regard to diversification of funding sources. Moreover they require the tools and skills to be able to optimize the opportunities to leverage user fees and other types of charges. This would require understanding of the 'best practices' in this regard.</p> <p>(To elaborate on what institutional capacity needs to be strengthened)</p> <p>DRAFT: The DWNP staff complement for PA management is primarily</p>	
		Every protected area has a regularly updated, participatorially prepared, comprehensive management plan	3		
		Human resources are poorly qualified and unmotivated;	0		
		Human resources qualification is spotty, with some well qualified, but many only poorly and in general unmotivated;	1		
	9. Human resources are well qualified and motivated	HR in general reasonably qualified, but many lack in motivation, or those that are motivated are not sufficiently qualified;	2		1
		Human resources are well qualified and motivated.	3		
		There is very little implementation of management plans;	0		
	10. Management plans are implemented in a timely manner effectively achieving their objectives	Management plans are poorly implemented and their objectives are rarely met;	1		
		Management plans are usually implemented in a timely manner, though delays typically occur and some objectives are not met;	2		2
		Management plans are implemented in a timely manner effectively achieving their objectives	3		
11. Protected area institutions are able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement their mandate	Protected area institutions typically are severely underfunded and have no capacity to mobilize sufficient resources;	0			
	Protected area institutions have some funding and are able to mobilize some human and material resources but not enough to effectively implement their mandate;	1			
	Protected area institutions have reasonable capacity to mobilize funding or other resources but not always in sufficient quantities for fully effective implementation of their mandate;	2	1		
	Protected area institutions are able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement their mandate	3			
12. Protected area institutions are effectively managed, efficiently	While the protected area institution exists it has no management;	0			
	Institutional management is largely ineffective and does not deploy efficiently the resources at its disposal;	1	2		

Strategic Area of Support	Issue	Outcome Indicators	Score:	Evaluative Comments
	deploying their human, financial and other resources to the best effect	The institution(s) is (are) reasonably managed, but not always in a fully effective manner and at times does not deploy its resources in the most efficient way;	2	<p><i>focused on law enforcement. There is a need to draw on personnel with other sets of skills, including forest sector specialists that have knowledge of forest land use planning (currently not all foresters in FDPMP have this background). In addition to this, institutional managers need to have wider range of skills beyond technical fields, to include financial planning and HRD and management.</i></p> <p>DWNP is audited annually by National Audit Department and Internal Audit Unit of NRE.</p> <p>There is a need for a national mechanism to harmonise the gaps and overlaps of authority among the PA agencies.</p> <p>The national level coordination needs to be enhanced to improve coordination amongst various PA agencies, especially to curb poaching and encroachment.</p> <p>Many PA staff have advanced their studies to graduate and postgraduate</p>
		The protected area institution is effectively managed, efficiently deploying its human, financial and other resources to the best effect	3	
	13. Protected area institutions are highly transparent, fully audited, and publicly accountable	Protected area institutions totally untransparent, not being held accountable and not audited;	0	
		Protected area institutions are not transparent but are occasionally audited without being held publicly accountable;	1	
		Protected area institutions are regularly audited and there is a fair degree of public accountability but the system is not fully transparent;	2	
		The Protected area institutions are highly transparent, fully audited, and publicly accountable	3	
	14. There are legally designated protected area institutions with the authority to carry out their mandate	There is no lead institution or agency with a clear mandate or responsibility for protected areas;	0	
		There are one or more institutions or agencies dealing with protected areas but roles and responsibilities are unclear and there are gaps and overlaps in the arrangements;	1	
		There are one or more institutions or agencies dealing with protected areas, the responsibilities of each are fairly clearly defined, but there are still some gaps and overlaps;	2	
		Protected Area institutions have clear legal and institutional mandates and the necessary authority to carry this out	3	
	15. Protected areas are effectively protected	No enforcement of regulations is taking place;	0	
		Some enforcement of regulations but largely ineffective and external threats remain active;	1	
		Protected area regulations are regularly enforced but are not fully effective and external threats are reduced but not eliminated;	2	
		Protected Area regulations are highly effectively enforced and all external threats are negated	3	
	16. Individuals are able to advance and	No career tracks are developed and no training opportunities are provided;	0	
			3	

Strategic Area of Support	Issue	Outcome Indicators	Score	Evaluative Comments			
3. Capacity to engage and build consensus among all stakeholders	develop professionally	Career tracks are weak and training possibilities are few and not managed transparently;	1	level. However, there is a challenge to retain these staff within the department once they advance their career.			
		Clear career tracks developed and training available; HR management however has inadequate performance measurement system;	2				
		Individuals are able to advance and develop professionally	3				
		Skills of individuals do not match job requirements;	0				
		Individuals have some or poor skills for their jobs;	1				
		Individuals are reasonably skilled but could further improve for optimum match with job requirement;	2				
		Individuals are appropriately skilled for their jobs	3				
		No motivation at all;	0				
		Motivation uneven, some are but most are not;	1				
		Many individuals are motivated but not all;	2				
		Individuals are highly motivated	3				
		17. Individuals are appropriately skilled for their jobs	IBD has a range of training courses for DWNP staff to match with their job requirement.		2		
18. Individuals are highly motivated	No mechanisms exist;	0					
3. Capacity to engage and build consensus among all stakeholders	develop professionally	Some mechanisms exist but unable to develop enough and unable to provide the full range of skills needed;	1	Generally, DWNP has to follow existing government procedures whereby recruitment can only be carried out after the staff is retired. This is partly overcome by training programmes through IBD and attachment programmes.			
		Mechanisms generally exist to develop skilled professionals, but either not enough of them or unable to cover the full range of skills required;	2				
		There are mechanisms for developing adequate numbers of the full range of highly skilled protected area professionals	3				
		There is no political will at all, or worse, the prevailing political will runs counter to the interests of protected areas;	0				
		Some political will exists, but is not strong enough to make a difference;	1				
		Reasonable political will exists, but is not always strong enough to fully support protected areas;	2				
		There are very high levels of political will to support protected areas	3				
		20. Protected areas have the political commitment they require	The public has little interest in protected areas and there is no significant lobby for protected areas;		0		
		21. Protected areas have the public support they require	There is limited support for protected areas;		1		
					2		
							The DG of DWNP is committed and the PA Division staff are committed.
							NGOs support for PAs is strong. WWF and MNS have been advocating for the expansion and/upgrading of more PAs. The support from communities

Strategic Area of Support	Issue	Outcome Indicators	Score:	Evaluative Comments	
		There is general public support for protected areas and there are various lobby groups such as environmental NGO's strongly pushing them;	2	surrounding the PAs needs to be strengthened.	
		There is tremendous public support in the country for protected areas	3		
		Institutional mission not defined;	0		
	22. Protected area institutions are mission oriented	Institutional mission poorly defined and generally not known and internalized at all levels;	1	2	DWNP has a well defined mission and objectives for PA. There is a need to further enhance the understanding of the mission and objectives.
		Institutional mission well defined and internalized but not fully embraced;	2		
		Institutional missions are fully internalized and embraced	3		
	23. Protected area institutions can establish the partnerships needed to achieve their objectives	Protected area institutions operate in isolation;	0	2	There is a number of MoUs between DWNP and local universities for research, DWNP and ministries such as Ministry of Tourism and Minsitry of Rural Development for Nature Guide Training, Ministry of Education for environmental education. With MyCAT for tiger conservation. Wildlife Trust to monitor wildlife disease, Smithsonian Institutions on satellite tracking of translocated elephants. National Security Council for law enforcement. There is a need for additional financial resources to expand the partnership programmes since the department is responsible for more than hundreds of species of wildlife.
		Some partnerships in place but significant gaps and existing partnerships achieve little;	1		
		Many partnerships in place with a wide range of agencies, NGOs etc, but there are some gaps, partnerships are not always effective and do not always enable efficient achievement of objectives;	2		
	24. Individuals carry appropriate values, integrity and attitudes	Protected area institutions establish effective partnerships with other agencies and institutions, including provincial and local governments, NGO's and the private sector to enable achievement of objectives in an efficient and effective manner	3	2	DWNP has instituted a code of work ethics and client charter at work place which the staff has to adhere to.
Individuals carry negative attitude;		0			
Some individuals have notion of appropriate attitudes and display integrity, but most don't;		1			
4. Capacity to mobilize information and knowledge	Many individuals carry appropriate values and integrity, but not all;	2	1	Institutions require scientific information on species of flora and fauna. topography and landscapes, hydrological systems, soil chemistry. In the area of law enforcement, information on evidence and case handling techniques are needed. In the area of forest management, more information is needed on forest land use and links to development planning.	
	Individuals carry appropriate values, integrity and attitudes	3			
	Information is virtually lacking;	0			
	Some information exists, but is of poor quality, is of limited usefulness, or is very difficult to access;	1	1		
	Much information is easily available and mostly of good quality, but there remain some gaps in quality, coverage and availability;	2			

Strategic Area of Support	Issue	Outcome Indicators	Score:	Evaluative Comments		
5. Capacity to monitor, evaluate, report and learn	the management of the protected area system	Protected area institutions have the information they need to develop and monitor strategies and action plans for the management of the protected area system	3			
		Information is virtually lacking;	0	Information is limited to a number of species such as elephant, tiger, seladang; related wildlife conflicts, law enforcement, and inventory.		
		Some information exists, but is of poor quality and of limited usefulness and difficult to access;	1			
		Much information is readily available, mostly of good quality, but there remain some gaps both in quality and quantity;	2			
		Adequate quantities of high quality up to date information for protected area planning, management and monitoring is widely and easily available	3			
		Individuals work in isolation and don't interact;	0			
		Individuals interact in limited way and sometimes in teams but this is rarely effective and functional;	1			
		Individuals interact regularly and form teams, but this is not always fully effective or functional;	2	More capacity building on multi-functional skills e.g. financing, socio-economic and scientific assessment of biodiversity is needed.		
		Individuals interact effectively and form functional teams	3			
		There is no policy or it is old and not reviewed regularly;	0			
		28. Protected area policy is continually reviewed and updated	the management of the protected area system	Policy is only reviewed at irregular intervals;	1	The National Parks Enactment (Kelantan & Terengganu) 1938 and National Parks Enactment (Pahang) 1939 require revision.
				Policy is reviewed regularly but not annually;	2	
National protected areas policy is reviewed annually	3					
29. Society monitors the state of protected areas	the management of the protected area system	There is no dialogue at all;	0	Need to strengthen communications and partnership / outreach capacity. Currently this is undertaken through collaboration with various partners such as WWF, MNS, on high profile issues, but given the scale of DWNP management responsibility (ie 35 PAs) this is limited.		
		There is some dialogue going on, but not in the wider public and restricted to specialized circles;	1			
		There is a reasonably open public dialogue going on but certain issues remain taboo;	2			
30. Institutions are highly adaptive, responding effectively and immediately to change	the management of the protected area system	There is an open and transparent public dialogue about the state of the protected areas	3			
		Institutions resist change;	0			
		Institutions do change but only very slowly;	1			
		Institutions tend to adapt in response to change but not always very effectively or with some delay;	2			
		Institutions are highly adaptive, responding effectively and immediately to change	3			

Strategic Area of Support	Issue	Outcome Indicators	Score:	Evaluative Comments		
	31. Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning	There are no mechanisms for monitoring, evaluation, reporting or learning;	0	M&E systems exist within DWNP and at the ministerial level, i.e. NRE.		
		There are some mechanisms for monitoring, evaluation, reporting and learning but they are limited and weak;	1			
		Reasonable mechanisms for monitoring, evaluation, reporting and learning are in place but are not as strong or comprehensive as they could be;	2			
		Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning	3			
		There is no measurement of performance or adaptive feedback;	0			
	32. Individuals are adaptive and continue to learn	Performance is irregularly and poorly measured and there is little use of feedback;	1			
		There is significant measurement of performance and some feedback but this is not as thorough or comprehensive as it might be;	2			
		Performance is effectively measured and adaptive feedback utilized	3			
		<b>TOTAL SCORE</b>			<b>96</b>	<b>59</b>
						<b>61 %</b>

**Capacity Scorecard Results (2010) for Johor National Parks Corporation**

Strategic Area of Support	Issue	Outcome Indicators	Score	Evaluative Comments
1. Capacity to conceptualize and formulate policies, legislations, strategies and programmes	1. The protected area agenda is being effectively championed / driven forward	There is essentially no protected area agenda;	0	<p>Johor National Parks Corporation is mandated to drive the protected area agenda in Johor. Each park has its own management unit headed by a park manager. There is no dedicated unit to look at the overall strategic planning of PA.</p> <p>JNPC participates in coordination/consultation meeting with other state agencies e.g. EIA meeting</p>
		There are some persons or institutions actively pursuing a protected area agenda but they have little effect or influence;	1	
		There are a number of protected area champions that drive the protected area agenda, but more is needed;	2	
		There are an adequate number of able "champions" and "leaders" effectively driving forwards a protected area agenda	3	
	2. There is a strong and clear legal mandate for the establishment and management of protected areas	There is no legal framework for protected areas;	0	<p>National Parks Corporation (Johor) Enactment needs to look at the provision for management standards and reporting system.</p>
		There is a partial legal framework for protected areas but it has many inadequacies;	1	
		There is a reasonable legal framework for protected areas but it has a few weaknesses and gaps;	2	
		There is a strong and clear legal mandate for the establishment and management of protected areas	3	
	3. There is an institution or institutions responsible for protected areas able to strategize and plan.	Protected area institutions have no plans or strategies;	0	<p>JNPC has an annual planning cycle but do not have a formal process for medium and long term strategic plan.</p>
		Protected area institutions do have strategies and plans, but these are old and no longer up to date or were prepared in a totally top-down fashion;	1	
Protected area institutions have some sort of mechanism to update their strategies and plans, but this is irregular or is done in a largely top-down fashion without proper consultation;		2		
Protected area institutions have relevant, participatorially prepared, regularly updated strategies and plans		3		
2. Capacity to implement policies, legislation, strategies and	4. There are adequate skills for protected area planning and management	There is a general lack of planning and management skills;	0	<p>Director and Park Managers</p>
		Some skills exist but in largely insufficient quantities to guarantee effective planning and management;	1	
		Necessary skills for effective protected area management and planning do exist but are stretched and not easily available;	2	

Strategic Area of Support	Issue	Outcome Indicators	Score:	Evaluative Comments
programmes	5. There are protected area systems	Adequate quantities of the full range of skills necessary for effective protected area planning and management are easily available	3	
		No or very few protected area exist and they cover only a small portion of the habitats and ecosystems;	0	Existing PA include all major habitats and ecosystems but representation of fresh water ecosystems is lacking.
		Protected area system is patchy both in number and geographical coverage and has many gaps in terms of representativeness;	1	
		Protected area system is covering a reasonably representative sample of the major habitats and ecosystems, but still presents some gaps and not all elements are of viable size;	2	
		The protected areas includes viable representative examples of all the major habitats and ecosystems of appropriate geographical scale	3	
	There is no oversight at all of protected area institutions;	0		
	6. There is a fully transparent oversight authority (here are fully transparent oversight authorities) for the protected areas institutions	There is some oversight, but only indirectly and in a non-transparent manner;	1	There is a Board of Directors overseeing the operation of INPC chaired by the Chief Minister. Other members include ... However, the Board of Directors is not able to meet at regular interval.
		There is a reasonable oversight mechanism in place providing for regular review but lacks in transparency (e.g. is not independent, or is internalized);	2	
		There is a fully transparent oversight authority for the protected areas institutions	3	
		Protected area institutions have a total lack of leadership;	0	
Protected area institutions exist but leadership is weak and provides little guidance;		1		
7. Protected area institutions are effectively led	Some protected area institutions have reasonably strong leadership but there is still need for improvement;	2	The Corporation is led by a director and each park is led by a Park Manager.	
	Protected area institutions are effectively led	3		
	Protected areas have no management plans;	0		
	Some protected areas have up-to-date management plans but they are typically not comprehensive and were not participatorially prepared;	1		
	Most Protected Areas have management plans though some are old, not participatorially prepared or are less than comprehensive;	2		
8. Protected areas have regularly updated, participatorially prepared, comprehensive management plans	Every protected area has a regularly updated, participatorially prepared, comprehensive management plan	3	Only Endau-Rompin National Park has an outdated management plan. Management plans are being prepared for Tanjung Piai and Kukup Ramsar Sites.	
	Human resources are poorly qualified and unmotivated;	0		
	Human resources qualification is spotty, with some well qualified, but many only poorly and in general unmotivated;	1		
	Contractual staff (yearly contract) = 98	1		
	Part time = 77			

Strategic Area of Support	Issue	Outcome Indicators	Score	Evaluative Comments
		HR in general reasonably qualified, but many lack in motivation, or those that are motivated are not sufficiently qualified; Human resources are well qualified and motivated.	2 3	Motivation for the part time general workers is low as there is no job security. Applying for permanent posting. Job matching with qualification is being streamlined. 25 – 30 staff at head office.
	10. Management plans are implemented in a timely manner effectively achieving their objectives	There is very little implementation of management plans; Management plans are poorly implemented and their objectives are rarely met; Management plans are usually implemented in a timely manner, though delays typically occur and some objectives are not met; Management plans are implemented in a timely manner effectively achieving their objectives	0 1 2 3	The management plan for Endau-Rompin National Park is outdated and needs review.
	11. Protected area institutions are able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement their mandate	Protected area institutions typically are severely underfunded and have no capacity to mobilize sufficient resources; Protected area institutions have some funding and are able to mobilize some human and material resources but not enough to effectively implement their mandate; Protected area institutions have reasonable capacity to mobilize funding or other resources but not always in sufficient quantities for fully effective implementation of their mandate; Protected area institutions are able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement their mandate	0 1 2 3	Funding is needed for personnel and basic equipment such as vehicle, wireless communication devices.
	12. Protected area institutions are effectively managed, efficiently deploying their human, financial and other resources to the best effect	While the protected area institution exists it has no management; Institutional management is largely ineffective and does not deploy efficiently the resources at its disposal; The institution(s) is (are) reasonably managed, but not always in a fully effective manner and at times does not deploy its resources in the most efficient way; The protected area institution is effectively managed, efficiently deploying its human, financial and other resources to the best effect	0 1 2 3	The organisational structure has undergone a few changes to manage the PAs more effectively.
	13. Protected area institutions are highly transparent, fully audited, and publicly accountable	Protected area institutions totally untransparent, not being held accountable and not audited; Protected area institutions are not transparent but are occasionally audited without being held publicly accountable; Protected area institutions are regularly audited and there is a fair degree of public accountability but the system is not fully transparent;	0 1 2	JNPC is audited annually by State and Federal auditors. The audit report is available to the public.

Strategic Area of Support	Issue	Outcome Indicators	Score	Evaluative Comments
		The Protected area institutions are highly transparent, fully audited, and publicly accountable	3	
	14. There are legally designated protected area institutions with the authority to carry out their mandate	<p>There is no lead institution or agency with a clear mandate or responsibility for protected areas;</p> <p>There are one or more institutions or agencies dealing with protected areas but roles and responsibilities are unclear and there are gaps and overlaps in the arrangements;</p> <p>There are one or more institutions or agencies dealing with protected areas, the responsibilities of each are fairly clearly defined, but there are still some gaps and overlaps;</p> <p>Protected Area institutions have clear legal and institutional mandates and the necessary authority to carry this out</p>	<p>0</p> <p>1</p> <p>2</p> <p>3</p>	<p>There are overlapping mandates between JNPC, Johor State Forestry Department and DWNP. There is mutual cooperation among the three agencies.</p>
	15. Protected areas are effectively protected	<p>No enforcement of regulations is taking place;</p> <p>Some enforcement of regulations but largely ineffective and external threats remain active;</p> <p>Protected area regulations are regularly enforced but are not fully effective and external threats are reduced but not eliminated;</p> <p>Protected Area regulations are highly effectively enforced and all external threats are negated</p>	<p>0</p> <p>1</p> <p>2</p> <p>3</p>	
	16. Individuals are able to advance and develop professionally	<p>No career tracks are developed and no training opportunities are provided;</p> <p>Career tracks are weak and training possibilities are few and not managed transparently;</p> <p>Clear career tracks developed and training available; HR management however has inadequate performance measurement system;</p> <p>Individuals are able to advance and develop professionally</p>	<p>0</p> <p>1</p> <p>2</p> <p>3</p>	<ul style="list-style-type: none"> <li>- Positions are set out in an organisational chart.</li> <li>- Career plan for professional officers within the organisational structure through an ongoing process of upgrading.</li> <li>- Support staff who fulfil minimum requirements are upgraded to grade 17 when vacancies arise.</li> <li>- Daily waged staff are offered employment as contract staff when vacancies arise.</li> <li>- Application for permanent posts has been made to the State Public Services Commission for all contract staff.</li> </ul>
	17. Individuals are appropriately skilled for their jobs	<p>Skills of individuals do not match job requirements;</p> <p>Individuals have some or poor skills for their jobs;</p> <p>Individuals are reasonably skilled but could further improve for optimum match with job requirement;</p> <p>Individuals are appropriately skilled for their jobs</p>	<p>0</p> <p>1</p> <p>2</p> <p>3</p>	<ul style="list-style-type: none"> <li>- Several officers have qualifications in forestry and they need to be further developed to fulfil job needs/requirements.</li> <li>- Support staff fulfil basic academic requirements but need to be further developed in environment &amp; natural resource management.</li> </ul>
	18. Individuals are	No motivation at all;	0	<ul style="list-style-type: none"> <li>- Differs between individuals. Some show</li> </ul>

Strategic Area of Support	Issue	Outcome Indicators	Score: 16	Evaluative Comments	
3. Capacity to engage and build consensus among all stakeholders	highly motivated	Motivation uneven, some are but most are not;	1	commitment to their work and conservation owing to a love for nature. Those less committed, being contract staff, may seek jobs elsewhere when opportunities arise.	
		Many individuals are motivated but not all;	2		
		Individuals are highly motivated	3		
	19. There are appropriate systems of training, mentoring, and learning in place to maintain a continuous flow of new staff	No mechanisms exist;	0	1	- Training is ad hoc – based on projects & trainings offered by the government training centre INTAN.
		Some mechanisms exist but unable to develop enough and unable to provide the full range of skills needed;	1		
		Mechanisms generally exist to develop skilled professionals, but either not enough of them or unable to cover the full range of skills required;	2		
	20. Protected areas have the political commitment they require	There are mechanisms for developing adequate numbers of the full range of highly skilled protected area professionals	3	2	- They acknowledge the need for PAs but they also face pressures, such as from high profile economic developments. - Our conservation goals have to take into consideration the needs of people & of the economy.
		There is no political will at all, or worse, the prevailing political will runs counter to the interests of protected areas;	0		
		Some political will exists, but is not strong enough to make a difference;	1		
	21. Protected areas have the public support they require	Reasonable political will exists, but is not always strong enough to fully support protected areas;	2	2	- Our 1st park, Endau-Rompin, was established through strong recommendation from the Malaysian Nature Society (MNS), who now express interest in nature education and conservation in Endau-Rompin. PTNJ is currently working with WCS under the Johor Wildlife Conservation Project, which in future will lead to a Johor Wildlife Management Plan.
		There are very high levels of political will to support protected areas	3		
		The public has little interest in protected areas and there is no significant lobby for protected areas;	0		
	22. Protected area institutions are mission oriented	There is limited support for protected areas;	1	2	- PTNJ has a clearly stated mission in education, research and eco-tourism. There is a need to develop full support from other departments to achieve the objectives.
		There is general public support for protected areas and there are various lobby groups such as environmental NGO's strongly pushing them;	2		
		There is tremendous public support in the country for protected areas	3		
	23. Protected area institutions can establish the partnerships needed to achieve their objectives	Institutional mission not defined;	0	2	- PTNJ has entered into Memorandums of Understanding with UTHM, USM, WCS and Aquaria KLCC for research and promotions. - Money for physical development is obtained from the Ministry of Tourism (MOT). There is collaboration with MOT for promotions.
		Institutional mission poorly defined and generally not known and internalized at all levels;	1		
		Institutional mission well defined and internalized but not fully embraced;	2		
		Institutional missions are fully internalized and embraced	3	2	
Protected area institutions operate in isolation;		0			
Some partnerships in place but significant gaps and existing partnerships achieve little;		1			
	Many partnerships in place with a wide range of agencies, NGOs etc, but there are some gaps, partnerships are not always effective and do not always enable efficient achievement of objectives;	2			

Strategic Area of Support	Issue	Outcome Indicators	Score:	Evaluative Comments
		Protected area institutions establish effective partnerships with other agencies and institutions, including provincial and local governments, NGO's and the private sector to enable achievement of objectives in an efficient and effective manner	3	<ul style="list-style-type: none"> <li>- For the years 2002 – 2010, there were 88 research studies carried out by various research institutions, universities and bodies. There were also 2 scientific expeditions.</li> <li>- Additional financial resources are needed for research, partnership programmes and nature education to stimulate the function of the Nature Education and Research Centre.</li> </ul>
	24. Individuals carry appropriate values, integrity and attitudes	<p>Individuals carry negative attitude;</p> <p>Some individuals have notion of appropriate attitudes and display integrity, but most don't;</p> <p>Many individuals carry appropriate values and integrity, but not all;</p> <p>Individuals carry appropriate values, integrity and attitudes</p>	0 1 2 3	<ul style="list-style-type: none"> <li>- There is conservation awareness among the public &amp; stakeholders especially under the JWCP project, with involvement of the Orang Asli (indigenous people) &amp; active involvement of other government departments in, for example, enforcement.</li> </ul>
4. Capacity to mobilize information and knowledge	25. Protected area institutions have the information they need to develop and monitor strategies and action plans for the management of the protected area system	<p>Information is virtually lacking;</p> <p>Some information exists, but is of poor quality, is of limited usefulness, or is very difficult to access;</p> <p>Much information is easily available and mostly of good quality, but there remain some gaps in quality, coverage and availability;</p> <p>Protected area institutions have the information they need to develop and monitor strategies and action plans for the management of the protected area system</p>	0 1 2 3	<ul style="list-style-type: none"> <li>- Information on bio-diversity is being developed through the Management Information System (MIST), camera trapping and occupancy survey for enforcement &amp; wildlife inventory with information on number of species of certain animals. More information is needed on flora &amp; visitor management.</li> </ul>
	26. Protected area institutions have the information needed to do their work	<p>Information is virtually lacking;</p> <p>Some information exists, but is of poor quality and of limited usefulness and difficult to access;</p> <p>Much information is readily available, mostly of good quality, but there remain some gaps both in quality and quantity;</p> <p>Adequate quantities of high quality up to date information for protected area planning, management and monitoring is widely and easily available</p>	0 1 2 3	<ul style="list-style-type: none"> <li>- PTNJ has management units on the ground &amp; the MIST System. There is enough information to plan work on the ground with the need to enhance capacity for scientific research and documentation.</li> </ul>
	27. Individuals working with protected areas work effectively together as a team	<p>Individuals work in isolation and don't interact;</p> <p>Individuals interact in limited way and sometimes in teams but this is rarely effective and functional;</p> <p>Individuals interact regularly and form teams, but this is not always fully effective or functional;</p> <p>Individuals interact effectively and form functional teams</p>	0 1 2 3	<ul style="list-style-type: none"> <li>- Need to strengthen collaboration with other stakeholders, for example transboundary issues &amp; plantations</li> </ul>
5. Capacity to monitor,	28. Protected area policy is continually	<p>There is no policy or it is old and not reviewed regularly;</p> <p>Policy is only reviewed at irregular intervals;</p>	0 1	<ul style="list-style-type: none"> <li>- Monitoring is practised internally for in-house management needs &amp; priorities according to</li> </ul>

Strategic Area of Support	Issue	Outcome Indicators	Score: 1-6	Evaluative Comments	
evaluate, report and learn	reviewed and updated	Policy is reviewed regularly but not annually;	2	circumstances & requirements, for example policies on development (no chalets at Kuala Marong), no fishing, maintenance of zoning.	
		National protected areas policy is reviewed annually	3		
		There is no dialogue at all;	0		
	29. Society monitors the state of protected areas	There is some dialogue going on, but not in the wider public and restricted to specialized circles;	1	1	There is dialogue with the Orang Asli of specific villages, for example a monthly meeting with the village security and development committee of Kampung Peta. For projects, the MNS sits on the Joint Technical Committee.
		There is a reasonably open public dialogue going on but certain issues remain taboo;	2		
		There is an open and transparent public dialogue about the state of the protected areas	3		
	30. Institutions are highly adaptive, responding effectively and immediately to change	Institutions resist change;	0	0	Efficiency depends on expertise & funds available within the objectives of PTNJ.
		Institutions do change but only very slowly;	1		
		Institutions tend to adapt in response to change but not always very effectively or with some delay;	2		
	31. Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning	Institutions are highly adaptive, responding effectively and immediately to change	3	2	There are regular Park management meetings. - Park managers report monthly to the director.
		There are no mechanisms for monitoring, evaluation, reporting or learning;	0		
		There are some mechanisms for monitoring, evaluation, reporting and learning but they are limited and weak;	1		
32. Individuals are adaptive and continue to learn	Reasonable mechanisms for monitoring, evaluation, reporting and learning are in place but are not as strong or comprehensive as they could be;	2	2	Annual staff evaluation is practised according to civil service requirements under SSB (System Sasaran Baru).	
	Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning	3			
	There is no measurement of performance or adaptive feedback;	0			
	Performance is irregularly and poorly measured and there is little use of feedback;	1	2		
	There is significant measurement of performance and some feedback but this is not as thorough or comprehensive as it might be;	2			
	Performance is effectively measured and adaptive feedback utilized	3			
<b>TOTAL SCORE</b>			<b>96</b>		
			<b>59</b>		
			<b>61</b>		
			<b>%</b>		

**Capacity Scorecard Results for Perak State Park Corporation (2010)<sup>17</sup>**

Strategic Area of Support	Issue	Outcome Indicators	Score	Evaluative Comments	
1. Capacity to conceptualize and formulate policies, legislations, strategies and programmes	1. The protected area agenda is being effectively championed / driven forward	There is essentially no protected area agenda;	0	Perak State Park Corporation is responsible for the creation, management and development of protected area/nature park as State Park in Perak.  The corporation needs to be strengthened professionally to better integrate protected areas with the state development plans.  The position of General Manager has been vacant since January 2010 and needs to fill up urgently to drive the PA agenda.	
		There are some persons or institutions actively pursuing a protected area agenda but they have little effect or influence;	1		
		There are a number of protected area champions that drive the protected area agenda, but more is needed;	2		
		There are an adequate number of able "champions" and "leaders" effectively driving forwards a protected area agenda	3		
	2. There is a strong and clear legal mandate for the establishment and management of protected areas	3. There is an institution or institutions responsible for protected areas able to strategize and plan.	There is no legal framework for protected areas;	0	Perak State Park Corporation Enactment 2001 which has gone through one amendment in 2006. In 2010, subsidiary regulations are formulated for 'Larangan' and penalty.  PSPC is responsible for the 2 protected area systems i.e. Royal Belum State Park (117,500 ha) and Pulau Sembilan State Park (182 ha). There is need to strengthen the capacity to formulate strategies and plans for PA system management in the state.
			There is a partial legal framework for protected areas but it has many inadequacies;	1	
			There is a reasonable legal framework for protected areas but it has a few weaknesses and gaps;	2	
			There is a strong and clear legal mandate for the establishment and management of protected areas	3	
			Protected area institutions have no plans or strategies;	0	
			Protected area institutions do have strategies and plans, but these are old and no longer up to date or were prepared in a totally top-down fashion;	1	
Protected area institutions have some sort of mechanism to update their strategies and plans, but this is irregular or is done in a largely top-down fashion without proper consultation;	2				
Protected area institutions have relevant, participatorially prepared, regularly updated strategies and plans	3				
2. Capacity to	4. There are	There is a general lack of planning and management skills;	0	1	

<sup>17</sup> This Capacity Scorecard was completed by UNDP Malaysia on 17 January 2011. The process included direct meeting with 1 officer from Perak State Park Corporation and officer from Department of Wildlife & National Parks. There were Responders completing Scoring for this Capacity Scorecard. Each responder has familiarity with the PA system. The final scores and comments were reviewed and agreed to by the responders during the meeting.

Strategic Area of Support	Issue	Outcome Indicators	Score:	Evaluative Comments
implement policies, legislation, and strategies and programmes	adequate skills for protected area planning and management	Some skills exist but in largely insufficient quantities to guarantee effective planning and management;	1	There is a need to increase financial and human resources for planning and managing the state parks. Existing financial resources cannot support the number of staff required for basic operation.
		Necessary skills for effective protected area management and planning do exist but are stretched and not easily available;	2	
		Adequate quantities of the full range of skills necessary for effective protected area planning and management are easily available	3	
	5. There are protected area systems	No or very few protected area exist and they cover only a small portion of the habitats and ecosystems;	0	Current PA system is predominantly dependent on one PA i.e. Royal Belum State Park that covers both terrestrial (lowland and montane tropical forest) and another small island park.
		Protected area system is patchy both in number and geographical coverage and has many gaps in terms of representativeness;	1	
		Protected area system is covering a reasonably representative sample of the major habitats and ecosystems, but still presents some gaps and not all elements are of viable size;	2	
	6. There is a fully transparent oversight authority (there are fully transparent oversight authorities) for the protected areas institutions	The protected areas includes viable representative examples of all the major habitats and ecosystems of appropriate geographical scale	3	1
		There is no oversight at all of protected area institutions;	0	
		There is some oversight, but only indirectly and in a non-transparent manner; There is a reasonable oversight mechanism in place providing for regular review but lacks in transparency (e.g. is not independent, or is internalized); There is a fully transparent oversight authority for the protected areas institutions	1 2 3	
	7. Protected area institutions are effectively led	Protected area institutions have a total lack of leadership;	0	1
		Protected area institutions exist but leadership is weak and provides little guidance;	1	
		Some protected area institutions have reasonably strong leadership but there is still need for improvement;	2	
8. Protected areas have regularly updated, participatorially prepared,	Protected area institutions are effectively led	3	1	
	Protected areas have no management plans;	0		
	Some protected areas have up-to-date management plans but they are typically not comprehensive and were not participatorially prepared;	1		
	Most Protected Areas have management plans though some are old, not participatorially prepared or are less than comprehensive;	2	0	Protected area is identified as an important agenda and more efforts are needed in terms of state financial and personnel needs. State resources for PA management are limited.
				Management plan for Royal Belum is being prepared in collaboration with WWF. Expected to be ready in 2011.

Strategic Area of Support	Issue	Outcome Indicators	Score:	Evaluative Comments	
	comprehensive management plans	Every protected area has a regularly updated, participatorially prepared, comprehensive management plan	3		
		Human resources are poorly qualified and unmotivated;	0		
		Human resources qualification is spotty, with some well qualified, but many only poorly and in general unmotivated;	1	Many protected areas are understaffed especially enforcement and park management. Knowledge and skills among staff need further enhancement.	
	9. Human resources are well qualified and motivated	HR in general reasonably qualified, but many lack in motivation, or those that are motivated are not sufficiently qualified;	2	1	
		Human resources are well qualified and motivated.	3		
		There is very little implementation of management plans;	0		The preparation of management plan is still in progress.
	10. Management plans are implemented in a timely manner effectively achieving their objectives	Management plans are poorly implemented and their objectives are rarely met;	1		
		Management plans are usually implemented in a timely manner, though delays typically occur and some objectives are not met;	2	0	
		Management plans are implemented in a timely manner effectively achieving their objectives	3		
	11. Protected area institutions are able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement their mandate	Protected area institutions typically are severely underfunded and have no capacity to mobilize sufficient resources;	0		The collection of entrance fees and tourism revenue (chalet rental fees, recreational activities fees) starts in October 2010. The operation of the State Park is wholly dependent on the fund allocation from State Treasury based on budget plan submitted by PSPC. Most of the time, the actual amount of fund allocated does not correspond to the budget plan.
		Protected area institutions have some funding and are able to mobilize some human and material resources but not enough to effectively implement their mandate;	1		
		Protected area institutions have reasonable capacity to mobilize funding or other resources but not always in sufficient quantities for fully effective implementation of their mandate;	2	1	
12. Protected area institutions are effectively managed, efficiently deploying their human, financial	Protected area institutions are able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement their mandate	3			
	While the protected area institution exists it has no management;	0		PSPC is understaffed due to limited financial resources. The staff strength is too small to evaluate this.	
	Institutional management is largely ineffective and does not deploy efficiently the resources at its disposal;	1	0		
	The institution(s) is (are) reasonably managed, but not always in a fully effective manner and at times does not deploy its resources in the most efficient way;	2			

Strategic Area of Support	Issue	Outcome Indicators	Score:	Evaluative Comments	
	and other resources to the best effect	The protected area institution is effectively managed, efficiently deploying its human, financial and other resources to the best effect	3		
		Protected area institutions totally untransparent, not being held accountable and not audited;	0	PSPC is audited by State Audit and National Audit Department. Audit results are reported to the State Assembly.	
		Protected area institutions are not transparent but are occasionally audited without being held publicly accountable;	1		
		Protected area institutions are regularly audited and there is a fair degree of public accountability but the system is not fully transparent;	2		
		The Protected area institutions are highly transparent, fully audited, and publicly accountable	3		
	There is no lead institution or agency with a clear mandate or responsibility for protected areas;	0			
	14. There are legally designated protected area institutions with the authority to carry out their mandate	There are one or more institutions or agencies dealing with protected areas but roles and responsibilities are unclear and there are gaps and overlaps in the arrangements;	1	2	There are still some gaps and overlaps of responsibilities with State and Federal government agencies regarding PA management. There is a need to strengthen the State PA agencies as there is a tendency for the State Government to gazette PA under state law.  Some support from the Federal agencies is needed.
		There are one or more institutions or agencies dealing with protected areas, the responsibilities of each are fairly clearly defined, but there are still some gaps and overlaps;	2		
		Protected Area institutions have clear legal and institutional mandates and the necessary authority to carry this out	3		
	15. Protected areas are effectively protected	No enforcement of regulations is taking place;	0	2	PSPC conducts joint enforcement operation with DWNP, State Forestry Department, Military Intelligence Officer and Police. But more staff is needed in the long term.
		Some enforcement of regulations but largely ineffective and external threats remain active;	1		
		Protected area regulations are regularly enforced but are not fully effective and external threats are reduced but not eliminated;	2		
		Protected Area regulations are highly effectively enforced and all external threats are negated	3		
No career tracks are developed and no training opportunities are provided;		0			
16. Individuals are able to advance and develop professionally	Career tracks are weak and training possibilities are few and not managed transparently;	1	1	PSPC is a newly formed agency and needs a lot of capacity building.	
	Clear career tracks developed and training available; HR management however has inadequate performance measurement system;	2			
	Individuals are able to advance and develop professionally	3			
	Skills of individuals do not match job requirements;	0			
17. Individuals are appropriately	Individuals have some or poor skills for their jobs;	1	2	Very few professional PA officers available.	

Strategic Area of Support	Issue	Outcome Indicators	Score	Evaluative Comments
3. Capacity to engage and build consensus among all stakeholders	skilled for their jobs	Individuals are reasonably skilled but could further improve for optimum match with job requirement;	2	There are only a few personnel in the management but can be considered sufficiently motivated.  No specific training for PSPC staff that match their job responsibilities as the institution was just established. There is need to enhance the national mechanism to provide training for all PA staff.  Chief Minister is committed and supports the protected areas.  NGOs support for PAs is strong. WWF and MNS have been advocating for the gazettement and expansion of PAs. However, the support from communities surrounding the PAs needs to be strengthened.  PSPC has mission and objectives for PA but there is a need to be further enhanced. There is need to increase the awareness of PSPC among other agencies and public.  Some form of partnership exists in enforcement with DWNP, MIO, State Forestry Department, Fisheries
		Individuals are appropriately skilled for their jobs	3	
		No motivation at all;	0	
	18. Individuals are highly motivated	Motivation uneven, some are but most are not;	1	
		Many individuals are motivated but not all;	2	
		Individuals are highly motivated	3	
	19. There are appropriate systems of training, mentoring, and learning in place to maintain a continuous flow of new staff	No mechanisms exist;	0	
		Some mechanisms exist but unable to develop enough and unable to provide the full range of skills needed;	1	
		Mechanisms generally exist to develop skilled professionals, but either not enough of them or unable to cover the full range of skills required;	2	
	20. Protected areas have the political commitment they require	There are mechanisms for developing adequate numbers of the full range of highly skilled protected area professionals	3	
		There is no political will at all, or worse, the prevailing political will runs counter to the interests of protected areas;	0	
		Some political will exists, but is not strong enough to make a difference;	1	
		Reasonable political will exists, but is not always strong enough to fully support protected areas;	2	
		There are very high levels of political will to support protected areas	3	
		The public has little interest in protected areas and there is no significant lobby for protected areas;	0	
	21. Protected areas have the public support they require	There is limited support for protected areas;	1	
		There is general public support for protected areas and there are various lobby groups such as environmental NGO's strongly pushing them;	2	
		There is tremendous public support in the country for protected areas	3	
22. Protected area institutions are mission oriented	Institutional mission not defined;	0		
	Institutional mission poorly defined and generally not known and internalized at all levels;	1		
	Institutional mission well defined and internalized but not fully embraced;	2		
23. Protected area institutions can establish the	Institutional missions are fully internalized and embraced	3		
	Protected area institutions operate in isolation;	0		
	Some partnerships in place but significant gaps and existing partnerships achieve little;	1		

Strategic Area of Support	Issue	Outcome Indicators	Score:	Evaluative Comments
4. Capacity to mobilize information and knowledge	partnerships needed to achieve their objectives	Many partnerships in place with a wide range of agencies, NGOs etc, but there are some gaps, partnerships are not always effective and do not always enable efficient achievement of objectives;	2	Department and Department of Orang Asli. There's a also partnership with NGO such as WWF in enforcement and research.
		Protected area institutions establish effective partnerships with other agencies and institutions, including provincial and local governments, NGO's and the private sector to enable achievement of objectives in an efficient and effective manner	3	
	24. Individuals carry appropriate values, integrity and attitudes	Individuals carry negative attitude;	0	PSPC has instituted a code of work ethics and client charter at work place which the staff has to adhere to.
		Some individuals have notion of appropriate attitudes and display integrity, but most don't;	1	
		Many individuals carry appropriate values and integrity, but not all; Individuals carry appropriate values, integrity and attitudes	2	
	25. Protected area institutions have the information they need to develop and monitor strategies and action plans for the management of the protected area system	Information is virtually lacking;	0	Information gaps exist in boundary demarcation, illegal hunting and inventory of flora & fauna species in areas that are not easily accessible.
		Some information exists, but is of poor quality, is of limited usefulness, or is very difficult to access;	1	
		Much information is easily available and mostly of good quality, but there remain some gaps in quality, coverage and availability;	2	
	26. Protected area institutions have the information needed to do their work	Protected area institutions have the information they need to develop and monitor strategies and action plans for the management of the protected area system	3	Information gaps exist in boundary demarcation, illegal hunting and inventory of flora & fauna species.
		Information is virtually lacking;	0	
Some information exists, but is of poor quality and of limited usefulness and difficult to access;		1		
27. Individuals working with protected areas work effectively together as a team	Much information is readily available, mostly of good quality, but there remain some gaps both in quality and quantity;	2	The staff strength is too small to evaluate this.	
	Adequate quantities of high quality up to date information for protected area planning, management and monitoring is widely and easily available	3		
	Individuals work in isolation and don't interact;	0		
28. Protected area	Individuals interact in limited way and sometimes in teams but this is rarely effective and functional;	1		
	Individuals interact regularly and form teams, but this is not always fully effective or functional;	2		
	Individuals interact effectively and form functional teams	3		
5. Capacity to	There is no policy or it is old and not reviewed regularly;	0	0	

<p>Equivalency Analysis (HEA) and Resource Equivalency Analysis (REA)</p>	<p>human-use services) are lost</p> <ul style="list-style-type: none"> <li>• Methods of quantifying the lost services and the compensatory services are available</li> <li>• Estimate of recovery rates can be determined</li> <li>• Suitable restoration sites exist</li> </ul>	<p>injury when the service of the injured area is ecologically equivalent to the service that will be provided by the replacement habitat. This is termed service-to-service approach and assumes the public is willing to accept a one-to-one trade-off between the service lost and the service gained by the restoration.</p> <p>When this approach is used for scaling losses of fish, birds, and other wildlife, the method is sometimes termed resource equivalency analysis (REA)</p> <p>Past and future losses and gains are computed and a discount factor is applied to make them comparable. Calculation of the area of the replacement project is equal to the ratio of discounted service years lost per area to the discounted service years per area of the compensating project multiplied by the relative value of services by each uninjured area in both injured and compensating locations multiplies by the injured area.</p> <p>Where sufficient data exists about the injured and restored systems, the HEA model can be a powerful tool for estimating lost services and determining restoration requirements. However, the results are only as good as the inputs and the assumptions and the method is only applicable to specific habitat types.</p>	<p>compensation for injuries and lost services to an ecosystem particularly where human uses are indirect</p>
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	can be measured in production output	and probably more costly source.  It cannot be used for natural sites that have not been cultivated. This method also ignores the possibility of using substitutes and could be wrong if the resource values or production output prices are distorted by, say, government programs.	
Averting Behavior Method	<ul style="list-style-type: none"> <li>Data on environmental change, environmental risk, and its associated substitutes to avert these risks</li> <li>Expenditure data on risk-reduction products and services</li> </ul>	<p>It observes expenditures made to avert or mitigate negative effects on a resource which in turn is perceived to cause negative effects on people. This is deemed as the value of the resource to its consumers.</p> <p>This could be used to explain why people who experience or fear the health effects of water pollution purchase bottled water to protect themselves. However, this will not account for other reasons why people would buy bottled water. It is mainly oriented toward risks, the results are based on expectations, and it cannot capture the entire value of the natural resource.</p>	Value natural qualities affecting consumer behavior
Market Price Method	<ul style="list-style-type: none"> <li>Product or service provided by natural resource is traded in a market</li> <li>Market price is available</li> </ul>	<p>This looks at the price as a measure of a resource. It relies on market forces of supply and demand to react to positive or negative influences on the resource.</p> <p>This method is useful mainly for consumptive uses as it only considers those sold in the market. Its advantage is that it is based on observable data and is relatively inexpensive to employ.</p>	Calculate changes in resource quality or quantity
Appraisal Method	<ul style="list-style-type: none"> <li>Quality and price of natural resource in its undamaged state</li> <li>Resource or its service is traded in a market</li> </ul>	<p>This is based on the difference between the value of a resource that is undamaged and one that is damaged.</p> <p>It captures only use values and the price and quality of the undamaged resource should be available. Its advantage is that it is easy to compute like in cases of pollution.</p>	Determine value changes in a resource due to damage
Cost-of-Illness Method	<ul style="list-style-type: none"> <li>Environmental changes impact human health</li> <li>Data on medical and mitigation costs</li> <li>Productivity losses (calculated)</li> </ul>	<p>The method involves estimating the expenses incurred due to illness as a result of contaminated resources, plus lost earnings due to sickness.</p> <p>The resultant value using this technique will be on the low side as it does not take into account the expenses that people will take to prevent sickness and the disutility caused by sickness.</p>	Establish the health costs resulting from contaminated resources
Benefits Transfer Method	<ul style="list-style-type: none"> <li>Goods or services that are being valued should be the same</li> <li>Sites, situations, and relevant populations should be similar</li> <li>Differences in the quality of the studies should not be large</li> </ul>	<p>Benefits transfer uses information from existing studies of other sites to develop use and non-use values for the target site. Suppose past studies have a value for willingness to pay for water quality in one specific site and the studies have related this to other variables such as income, demographics, etc. A benefits transfer analysis can be used to transfer the benefits of that specific site to another new site. The method assumes that people in the original site have the same preferences as those in the new site.</p> <p>The advantage of this method is it considers use and non-use values and it is fast and inexpensive. The negative trade-off is in the area of accuracy.</p>	Develop values for a natural resource using data from studies of a similar resource in another site
Resource Replacement Cost Method	<ul style="list-style-type: none"> <li>Data on replacement cost or cost of substitute</li> </ul>	<p>Determines damages to natural resources based on cost to restore, rehabilitate or replace the resource or resources without injury to the level of resource stock or to service flow.</p> <p>This process is easier if the underlying resource or substitute is readily available but may be difficult for resources that are unique. The resource replacement cost method requires data on the costs to restore rehabilitate or replace injured or lost natural resources or services.</p>	Appraise cost of restoring, rehabilitating, or replacing damaged natural resources
Habitat	<ul style="list-style-type: none"> <li>Biological services (not</li> </ul>	The HEA method is specifically used in cases of habitat	Determine

## ANNEX IV: RANGE AND APPLICATIONS OF ECOSYSTEM VALUATION TOOLS

Valuation Tool	Requirements	Description, Benefits, and Disadvantages	Applicability
Travel Cost Method	<ul style="list-style-type: none"> <li>• Fairly large sample size</li> <li>• Respondents familiar with natural resource and should have visited the site</li> <li>• Travel cost data on money, distance, time, trips, etc.</li> </ul>	<p>Shows the level of demand for natural resource services specifically the environmental traits of recreational sites. Travel costs in terms of money and time to a particular site or resource are examined. Changes in the environmental quality of the place may alter the demand for the resource and its value could rise or fall depending on whether the impact is good or bad. This is easier to implement using phone or mail surveys as well as on-site registration forms.</p> <p>The advantage of this method is that it uses actual behaviours and preferences. The disadvantages of this method are that it cannot be used unless there is an observable behaviour (like travel cost) that can be used to reveal values, and that it is difficult to separate preference from the intrinsic value of the resource.</p>	Measure recreational value of sites
Hedonic Price Method	<ul style="list-style-type: none"> <li>• Pricing data and physical and socio-economic variables that are relevant for environmental correlation</li> <li>• Regression model for use in analysis</li> </ul>	<p>Based on the assumption that people value a product because of the product's characteristics rather than because of the product itself. It is not for valuation of the entire natural resource. For instance, this can be used to estimate the willingness to pay for variations in property due to the presence or absence of specific environmental attributes, say, the price of a house in a quiet and beautiful location versus one beside a smelly factory.</p> <p>The benefit of this analysis is the measure of actual behaviours and preferences. The pitfalls include: the complication of relating the product's values to resource values, the fact that this method only includes use values and excludes non-use values, and that an important factor might be left out of the calculation equation thus distorting the results.</p>	<p>Compute values of amenities and / or nuisances related to assets</p> <p>Gauge economic damages associated with occupational and safety risks</p>
Contingent Valuation (CV) Method	<ul style="list-style-type: none"> <li>• Accurate survey design and preferred means of information gathering</li> <li>• Sufficient resources as good quality CV studies are time and resource intensive</li> </ul>	<p>A survey method asking respondents how much they are willing to pay for environmental goods. The questions are usually hypothetical and could involve setting a scenario. Respondents are asked what they are willing to pay to achieve or avoid the given scenario. It is not suitable for the valuation of natural processes like climate regulation.</p> <p>This is the only method that estimates both use values and non-use values. Non-use values include an existence value, which is the value of knowing a resource exists; and bequest value, which is the value of knowing that a resource will be available for future generations. Its use is not valid for goods that people are not familiar with or when responsibility for the good is not accepted (e.g., when asked about willingness to pay for clean soil, respondents may answer zero because they feel the polluter should pay). Other drawbacks could be misinterpretation errors; the hypothetical nature of the scenario; and a lack of connection between willingness to pay and budgets.</p>	Estimate willingness to pay for services and other perceived aspects of natural resources
Production Factor Method	<ul style="list-style-type: none"> <li>• Natural resource has a direct value as a factor of production</li> <li>• Impact of changes in quality of natural resource</li> </ul>	<p>This approach came about because many natural resources are used as factors in production. It has been used in assessing the effects of water quality on agriculture, fishery, and industry; or the effects of air quality on buildings and livestock. For example, if water used as a production input is contaminated, the producer acquires water from an alternate</p>	Assess natural resource qualities that influence production

Strategic Area of Support	Issue	Outcome Indicators	Score:	Evaluative Comments	
monitor, evaluate, report and learn	policy is continually reviewed and updated	Policy is only reviewed at irregular intervals;	1	Newly established and premature to be evaluated at this stage.	
		Policy is reviewed regularly but not annually;	2		
		National protected areas policy is reviewed annually	3		
	29. Society monitors the state of protected areas	There is no dialogue at all;	0	1	There is some dialogue with local guide.
		There is some dialogue going on, but not in the wider public and restricted to specialized circles;	1		
		There is a reasonably open public dialogue going on but certain issues remain taboo;	2		
	30. Institutions are highly adaptive, responding effectively and immediately to change	There is an open and transparent public dialogue about the state of the protected areas	3	0	All directions from State Government are promptly implemented.
		Institutions resist change;	0		
		Institutions do change but only very slowly;	1		
	31. Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning	Institutions tend to adapt in response to change but not always very effectively or with some delay;	2	2	PSPC is required to report to the Board on monthly basis.
		Institutions are highly adaptive, responding effectively and immediately to change	3		
		There are no mechanisms for monitoring, evaluation, reporting or learning;	0		
	32. Individuals are adaptive and continue to learn	There are some mechanisms for monitoring, evaluation, reporting and learning but they are limited and weak;	1	2	
		Reasonable mechanisms for monitoring, evaluation, reporting and learning are in place but are not as strong or comprehensive as they could be;	2		
		Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning	3		
TOTAL SCORE	There is no measurement of performance or adaptive feedback;	0	2		
	Performance is irregularly and poorly measured and there is little use of feedback;	1			
	There is significant measurement of performance and some feedback but this is not as thorough or comprehensive as it might be;	2			
		Performance is effectively measured and adaptive feedback utilized	3		
		<b>TOTAL SCORE</b>	<b>96</b>	<b>43</b>	
				<b>45 %</b>	



30 April 2012

Dear Mr. Kamal Malhotra,

**Subject: Enabling Activities: the Enhancing the Effectiveness and Financial Sustainability of Protected Areas in Malaysia -PIMS No.4803 - ATLAS BU: MYS10 - Proposal No.: 00065995 - Project No.: 00082290**

I am pleased to delegate to you the authority to sign the above-mentioned Enabling Activities project. The project, which amounts to a total of US\$ 220,000, has received its final approval in accordance with the established Global Environment Facility (GEF) procedures (CEO approval/endorsement attached as relevant).

I am also pleased to provide a summary of the next steps in the process and to outline, for your easy reference, the mandatory GEF-specific project financial and results management requirements. Please note that Annex 2 clarifies these in further detail. In addition, a number of Advisory Notes have been prepared to support the implementation of UNDP supported GEF funded projects, these and further clarification on the GEF project cycle and requirements can be found in the UNDP GEF Programming Manual at <http://intra.undp.org/gef>.

***Next steps and mandatory GEF-specific requirements:***

1. ***Project document signature:*** As the Resident Representative with the delegated authority for this project, we kindly request that you sign the above-mentioned Enabling Activities project document on behalf of UNDP. We would also appreciate your obtaining the signature of the representative of the Implementing Partner on the cover page (as well as signature by the representative of the Government of Malaysia, if necessary).
2. ***Issuance of Authorized Spending Limit (ASL):*** To facilitate a quick start to the project, once the project document is signed, please kindly ensure that the Atlas-generated *Annual Work Plan (AWP)* based on the *Total Budget and Annual Work Plan* in the attached project document, along with a copy of the signed cover page, is sent to Ms. Midori Paxton, Regional Technical Advisor (RTA) in Bangkok.

Any proposed budget revisions should be forwarded to the UNDP RTA together with a clear explanation of the changes proposed as any significant changes require review and approval. In addition, please note that UNDP/GEF is not in a position to increase the project budget above the amount already approved by the GEF Council. Therefore, any over-expenditure on this project would have to be absorbed by other Country Office resources.

3. ***Fee:*** As an Implementing Agency of the GEF, UNDP earns a fee upon approval of each project. As required by the GEF, the fee is to be used to cover specific costs incurred by UNDP. For the Country Office, these services are related to supporting project development and providing oversight once the project is running, as detailed in Annex 2.

Mr. Kamal Malhotra  
Resident Representative  
UNDP  
Kuala Lumpur, Malaysia

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The total fee over the lifetime of the above mentioned project for these country offices support services will be US\$6,600. This fee will be paid directly by UNDP/GEF to the XB account of the Country Office. The first installment will be paid upon receipt of the signed main project document cover page by the UNDP RTA. The second and all subsequent annual fee installments will be paid based on cumulative delivery and audit compliance. The amount to be received by your office includes the cost of services generated by the Initiation Plan under the *GEF Project Preparation Grant (PPG)* window.

Please note that the Implementing Agency fee is intended to cover the General Management Service (GMS) indirect costs of project support, supervision and oversight detailed in Annex 2. Where a government, as Implementing Partner, requests UNDP to provide services specific to project inputs, then the government party is responsible for reimbursing UNDP in accordance with UNDP policies on recovery of direct costs. In such a case, an appropriate separation between project oversight and direct project support is required in accordance with the UNDP Internal Control Framework.

All GEF-funded projects must be audited in accordance with UNDP Financial Regulations and Rules and Audit policies.

#### 4. *GEF-specific project management requirements:*

- The GEF Secretariat must be informed of any changes to the project objectives and outcomes in the results framework of the project document. As such, should you wish to make any such changes to the results framework, please discuss this with the UNDP RTA, as these changes must be reported to the GEF.
- As outlined in the revised 2010 GEF M&E policy, full-size projects are required to undertake a mid-term review and a terminal evaluation with a corresponding management response. Medium-sized projects are required to undertake a terminal evaluation with a corresponding management response. A mid-term review is also recommended. The specific requirements of these are available from the RTA.
- As specified in the project document, a detailed project management plan should be prepared by the Project Manager. It is strongly recommended that this management plan be reviewed at the inception workshop. Where possible, this workshop should be held within 3 months of project signature. To avoid any confusion during project implementation, we also recommend that the support activities to be undertaken by the Country Office, as listed in Annex 2, be confirmed at the inception workshop.
- Annex 2 includes a number of key UNDP/GEF management performance indicators that aim to improve the efficiency and effectiveness in the oversight and supervision services provided. Performance against these indicators will be monitored on an annual basis.
- In order to accord proper acknowledgement to the GEF for providing funding, full compliance is needed with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at:  
[http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08\\_Branding\\_the\\_GEF%20final\\_0.pd](http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pd). Full compliance is also required with UNDP's branding guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>.

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In concluding, I would like to assure you of UNDP/GEF's and my personal commitment to a successful implementation of the project. The Regional Technical Advisors are at your disposal for advice and technical support. Should you have any concerns or questions, please do not hesitate to contact me.

Yours sincerely,



Yannick Glemarec  
UNDP/GEF Executive Coordinator

cc: *Mr. Ajay Chhibber*, Assistant Administrator and Bureau Director, RBAP  
*Mr. Midori Paxton*, UNDP-EEG Regional Technical Advisor, Bangkok, Thailand

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Annex 1      CEO endorsement/approval

United Nations Development Programme



**GLOBAL ENVIRONMENT FACILITY**  
INVESTING IN OUR PLANET

**MONIQUE BARBUT**  
*Chief Executive Officer and Chairperson*

1818 H Street, NW  
Washington, DC 20433 USA  
Tel: 202-471-3302  
Fax: 202-522-1240/3245  
E-mail: mbarbut@gef.org

March 8, 2012

Mr. Yannick Glemarec  
GEF Executive Coordinator  
United Nations Development Programme  
New York, NY 10017

Dear Mr. Glemarec:

I am pleased to inform you that the following submission is approved and will be funded by the GEF Trust Fund:

Approval Stage:	CEO Approval
GEFSEC (PMIS) ID:	4813
Agency(ies):	UNDP
Agency ID:	4803 (UNDP)
Project Type:	Enabling Activity
Country(ies):	Malaysia
Name of Project:	National Biodiversity Planning to Support the implementation of the CBD 2011-2020 Strategic Plan in Malaysia.
GEF Grant:	\$220,000
Agency Fee:	\$22,000

This approval is subject to the comments made by the GEF Secretariat in the attached project review. It is also based on the understanding that the project is in conformity with GEF focal areas strategies and in line with GEF policies and procedures.

Sincerely,

Attachment: GEFSEC Project Review

cc: Country Operational Focal Point, GEF Agencies; STAP, Trustee

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Annex 2: Project Support Services

Stage	Country Office <sup>1</sup>	UNDP/GEF
Identification, Sourcing/Screening of Ideas, and Due Diligence	Identify project ideas as part of country programme/CPAP and UNDAF/CCA.	<ul style="list-style-type: none"> <li>• Technical input to CCA/UNDAFs and CPAPs where appropriate.</li> <li>• Input on policy alignment between projects and programmes.</li> <li>• Provide information on substantive issues and specialized funding opportunities (SOFs).</li> <li>• Policy advisory services including identifying, accessing, combining and sequencing financing.</li> <li>• Verify potential eligibility of identified idea.</li> </ul>
	Assist proponent to formulate project idea / prepare project idea paper (e.g. GEF PIF/PPG).	<p><i>Technical support:</i></p> <ul style="list-style-type: none"> <li>• Research and development.</li> <li>• Provide up-front guidance.</li> <li>• Sourcing of technical expertise.</li> <li>• Verification of technical reports and project conceptualization.</li> <li>• Guidance on SOF expectations and requirements.</li> <li>• Training and capacity building for Country Offices.</li> </ul>
	<p><i>Appraisal:</i></p> <ul style="list-style-type: none"> <li>• Review and appraise project idea.</li> <li>• Undertake capacity assessments of implementing partner as per UNDP POPP.</li> <li>• Environmental screening of project as and when included in UNDP POPP.</li> <li>• Monitor project cycle milestones.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide detailed screening against technical, financial, social and risk criteria.</li> <li>• Determine likely eligibility against identified SOF.</li> </ul>
	<p><i>Partners:</i></p> <ul style="list-style-type: none"> <li>• Assist proponent to identify and negotiate with relevant partners, cofinanciers, etc</li> </ul>	<ul style="list-style-type: none"> <li>• Assist in identifying technical partners.</li> <li>• Validate partner technical abilities.</li> </ul>
	<p><i>Obtain clearances:</i></p> <ul style="list-style-type: none"> <li>• Government, UNDP, Implementing Partner, LPAC, cofinanciers, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain SOF clearances.</li> </ul>
Project Development	<p><i>Initiation Plan:</i></p> <ul style="list-style-type: none"> <li>• Management and financial oversight of Initiation Plan</li> <li>• Discuss management arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Technical support, backstopping and troubleshooting.</li> <li>• Support discussions on management arrangements</li> <li>• Facilitate issuance of DOA</li> </ul>

<sup>1</sup> As per UNDP POPP with additional SOF requirements where relevant.

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Stage	Country Office <sup>1</sup>	UNDP/GEF
	<p><i>Project Document:</i></p> <ul style="list-style-type: none"> <li>• Support project development, assist proponent to identify and negotiate with relevant partners, cofinanciers, etc.</li> <li>• Review, appraise, finalize Project Document.</li> <li>• Negotiate and obtain clearances and signatures – Government, UNDP, Implementing Partner, LPAC, cofinanciers, etc.</li> <li>• Respond to information requests, arrange revisions etc.</li> <li>• Prepare operational and financial reports on development stage as needed.</li> </ul>	<p><i>Technical support:</i></p> <ul style="list-style-type: none"> <li>• Sourcing of technical expertise.</li> <li>• Verification of technical reports and project conceptualization.</li> <li>• Guidance on SOF expectations and requirements.</li> <li>• Negotiate and obtain clearances by SOF</li> <li>• Respond to information requests, arrange revisions etc.</li> <li>• Quality assurance and due diligence.</li> <li>• Facilitate issuance of DOA</li> </ul>
<p><i>Key UNDP/GEF management performance indicators/targets for Project Development:</i></p> <ol style="list-style-type: none"> <li>1. Time between PIF approval to CEO endorsement for each project: <ul style="list-style-type: none"> <li>• Target for GEF trust fund project: FSP = 18 months or less, MSP 12 months or less.</li> <li>• Target for LDCF and SCCF: FSP/MSP = 12 months or less.</li> </ul> </li> <li>2. Time between CEO endorsement (or PAC for non GEF funded projects) to first disbursement for each project: <ul style="list-style-type: none"> <li>• Target = 4 months or less</li> </ul> </li> </ol>		
<p><b>Project Oversight</b></p>	<p><i>Management Oversight and support</i></p>	<p><i>Technical and SOF Oversight and support</i></p>
	<p><i>Project Launch/Inception Workshop</i></p> <ul style="list-style-type: none"> <li>• Preparation and coordination.</li> </ul>	<ul style="list-style-type: none"> <li>• Technical support in preparing TOR and verifying expertise for technical positions.</li> <li>• Verification of technical validity / match with SOF expectations of inception report.</li> <li>• Participate in Inception Workshop</li> </ul>
	<p><i>Management arrangements:</i></p> <ul style="list-style-type: none"> <li>• Facilitate consolidation of the Project Management Unit, where relevant.</li> <li>• Facilitate and support Project Board meetings as outlined in project document and agreed with UNDP RTA.</li> <li>• Provide project assurance role if specified in project document.</li> </ul>	<ul style="list-style-type: none"> <li>• Technical input and support to TOR development. Troubleshooting support.</li> <li>• Support in sourcing of potentially suitable candidates and subsequent review of CVs/recruitment process.</li> </ul>
	<p><i>Annual WorkPlan:</i></p> <ul style="list-style-type: none"> <li>• Issuance of AWP.</li> <li>• Monitor implementation of the annual work plan and timetable.</li> </ul>	<ul style="list-style-type: none"> <li>• Advisory services as required</li> <li>• Review AWP, and clear for ASL where relevant.</li> </ul>
	<p><i>Financial management:</i></p> <ul style="list-style-type: none"> <li>• Conduct budget revisions, verify expenditures, advance funds, issue combined delivery reports, ensure no over-expenditure of budget.</li> <li>• Ensure necessary audits.</li> </ul>	<ul style="list-style-type: none"> <li>• Allocation of ASLs, based on cleared AWP</li> <li>• Return of unspent funds to donor</li> <li>• Monitor projects to ensure activities funded by donor comply with agreements/ProDocs</li> <li>• Oversight and monitoring to ensure financial transparency and clear reporting to the donor</li> </ul>

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Stage	Country Office <sup>1</sup>	UNDP/GEF
	<p><i>Results Management:</i></p> <ul style="list-style-type: none"> <li>• Alignment: link project output to CPAP Outcome in project tree in Atlas, link CPAP outcome in project tree to UNDP Strategic Plan Environment and Sustainable Development Key Result Area as outlined in project document during UNDP work planning in ERBM.</li> <li>• Gender: In ATLAS, rate each output on a scale of 0-3 for gender relevance.</li> <li>• Monitoring and reporting: Monitor project results, track result framework indicators, and co-financing where relevant. Monitor risks in Atlas and prepare annual APR/PIR report where required by donor and/or UNDP/GEF.</li> <li>• Annual site visits – at least one site visit per year, report to be circulated no later than 2 weeks after visit completion.</li> </ul>	<ul style="list-style-type: none"> <li>• Advisory services as required.</li> <li>• Quality assurance.</li> <li>• Project visits – at least one technical support visit per year.</li> </ul>
	<p><i>Evaluation:</i></p> <ul style="list-style-type: none"> <li>• Integrate project evaluations into CO evaluation plan. Identify synergies with country outcome evaluations.</li> <li>• Arrange mid-term, final, and other evaluations: prepare TOR, hire personnel, plan and facilitate mission / meetings / debriefing, circulate draft and final reports.</li> <li>• Participate as necessary in other evaluations.</li> <li>• Ensure tracking of committed and actual co financing as part of mid-term and final evaluations.</li> <li>• Prepare management response to project evaluations and post in UNDP ERC.</li> </ul>	<ul style="list-style-type: none"> <li>• Technical support and analysis.</li> <li>• Quality assurance.</li> <li>• Compilation of lessons and consolidation of learning.</li> <li>• Dissemination of technical findings.</li> <li>• Participate as necessary in other SOF evaluations.</li> </ul>
	<p><i>Project Closure:</i></p> <ul style="list-style-type: none"> <li>• Final budget revision and financial closure (within 12 months after operational completion).</li> <li>• Final reports as required by donor and/or UNDP/GEF.</li> </ul>	<ul style="list-style-type: none"> <li>• Advisory services as required.</li> <li>• Technical input.</li> <li>• Quality assurance.</li> </ul>
<p><i>Key UNDP GEF management performance indicators/targets for Project Oversight:</i></p> <ol style="list-style-type: none"> <li>1. Each project aligned with country outcomes and UNDP Strategic Plan Environment and Sustainable Development key results, and included in Country Office Integrated Work Plan in the ERBM: <ul style="list-style-type: none"> <li>• Target = 100%</li> </ul> </li> <li>2. Quality rating of annual APR/PIRs: Once completed and submitted, the quality of each project APR/PIR is rated by an external reviewer <ul style="list-style-type: none"> <li>• Target = Rating of Satisfactory or above</li> </ul> </li> <li>3. Quality rating of Terminal Evaluations: Once completed, the quality of each terminal evaluation is rated by an external reviewer <ul style="list-style-type: none"> <li>• Target = Rating of Satisfactory or above</li> </ul> </li> <li>4. Quality of results achieved by project as noted in terminal evaluation: the independent evaluator assigns an overall rating to the project. <ul style="list-style-type: none"> <li>• Target = Satisfactory or above</li> </ul> </li> </ol>		

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Annex 3 CO Fee allocation and Payment schedule  
 PIMS4803 Atlas project - 00082290 MYS10

	For allocation-based on total approved funding including PDF	GEF fee (GMS) %
PPG		
EA/MSP/FSP	220,000	
Total PPG & final Project Grant	220,000	
Total fee allocated to COs (Note 1)	6,600	
1st Release: Fee for formulation 40% (Note 2)	2,640	1.200%
Following Releases: Fee for implementation 60% (Note 3)	3,960	1.800%
Total fee	6,600	3.000%

	Fee for Formulation (40%)	Fee for Implementation (60%)	Total Fee	Share % (fee for implementation)	% fee based on delivery on delivery (Impl. Fee / Final PRJ (FSP/MSP/EA) budget)
CO					
Malaysia	2,640	3,960	6,600	100%	1.800%
Total	2,640	3,960	6,600	100%	1.800%

Example 1 for CO projection purpose - fee release to COs based on delivery

CO	Scenarios						Total fee for delivery
	% fee based on delivery (Impl. Fee / Final PRJ (FSP/MSP) budget)	2012 Delivery	2013 delivery	2014 Delivery	2015 Delivery	Fee for 2015 delivery	
Malaysia	1.800%	414	1,908	1,539	99	3,960	
Total	1.800%	23,000	106,000	85,500	5,500	220,000	

Note:

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1. Total GEF Fee to COs includes the cost of services related to the preparatory assistance phase under the GEF Project Development Facility (PDF)/Project Preparation Grant (PPG) window.
2. The 1st release of GEF fee to COs will be effected upon receipt of the signed main project (FSP/MSP/EA) document cover page in the GEF RCU.
3. Subsequent annual fee releases to COs will depend on the satisfactory delivery of the services described in Annex 2 and will be directly linked to project delivery.
4. Annual fee payments to COs related to delivery are normally done after year end closing. For example, annual fee for 2012 delivery is paid in April 2013.