



UNDP Project Document

UNDP-GEF Enabling Activities Project

Government of Malaysia

United Nations Development Programme

National Capacity Needs Self-Assessment for Global Environmental Management (NCSA)

The *primary* objective of the NCSA is to identify priorities and needs for capacity building and enhancement to address global environmental management requirements through the fulfillment of Malaysia's international obligations and commitments, in particular by contributing to the mid-term review of the 9th Malaysia Plan and implementing the Precautionary Principle as stated in the 8th Malaysia Plan, at all levels of government.

The NCSA will review three thematic areas - biodiversity, climate change, and land degradation – and address the linkages between them. There will be particular emphasis on further identifying cross-cutting issues and enhancing synergies among the relevant MEAs and regional initiatives. The NCSA Project also identifies opportunities to reinforce and strengthen existing institutions, mechanisms and processes to create a sustainable institutional framework and process for continuous assessment and improvement of national capacities for effective environmental management. The Project will be implemented in a consultative country-driven and country-owned manner.

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Acronyms

ASEAN	Association of South East Asian Nations
BIOTEK	National Biotechnology Directorate
CCHI	Cabinet Committee on Coordination of Highlands and Islands
CDM	Clean Development Mechanism
CEMD/ NRE	Conservation and Environmental Management Division, Ministry of Natural Resources and Environment
CITES	Convention on International Trade in Endangered Species
COA	Compliance and Opportunity Analysis
COP	Conference of the Parties
CP	Cartagena Protocol on Biosafety
DANIDA	Danish International Development Assistance of the Danish Ministry of Foreign Affairs
DOE	Department of Environment
DWNP	Department of Wildlife and National Parks
EC	Energy Commission
EIA	Environmental Impact Assessment
EiMAS	Environmental Institute of Malaysia
EPU	Economic Planning Unit
FRIM	Forest Research Institute, Malaysia
GEF	Global Environment Facility
GMAC	Genetic Modification Advisory Committee
GMOs	Genetically Modified Organisms
IDFR	Institute for Diplomacy and Foreign Relations
INTAN	National Institute for Public Administration
IPCC	Intergovernmental Panel on Climate Change
ITTA	International Tropical Timber Agreement
LMOs	Living Modified Organisms
MEA	Multilateral Environmental Agreements
MECM	Ministry of Energy, Communications and Multimedia (currently Ministry of Energy, Water and Communications)
MENGO	Malaysian Environmental NGOs
MEWC	Ministry of Energy, Water and Communications (previously Ministry of Energy, Communications and Multimedia)
MOA	Ministry of Agriculture
MOP	Meeting of the Parties
MOSTE	Ministry of Science, Technology and Environment (previously Ministry of Science, Technology and Innovations)
MOSTI	Ministry of Science, Technology and Innovations (currently Ministry of Science, Technology and Environment)
MP	Marine Parks
MPI	Ministry of Primary Industries (currently Ministry of Plantation Industries and Commodities)
NBB	National Biosafety Board
NBBC	National Biodiversity and Biotechnology Council
NBSAP	National Biodiversity Strategies and Action Plans
NCCDM	National Committee on Clean Development Mechanism
NCSA	National Capacity Needs Self-Assessment for Global Environmental Management
NEAC	National Economic Action Council

NGOs	Non-governmental Organisations
NPD	National Programme Director
NRE	Ministry of Natural Resources and Environment
PMG	Project Management Group
POPs	Persistent Organic Pollutants
PSC	Project Steering Committee
PTM	Pusat Tenaga Malaysia
UKM	Universiti Kebangsaan Malaysia
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNCSD	United Nations Commission on Sustainable Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Framework on Forests
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation

Section I: Elaboration of the Narrative

PART I: Situation Analysis

Sustainable Development Context

Development Planning in Malaysia

The long-term development aspirations of Malaysia is clearly outlined in the following statement from **Vision 2020** (Vision 2020 is a national long term plan, announced by the Government in 1991, that aims to establish Malaysia as a “fully developed” country by the year 2020):

"In the pursuit of economic development Malaysia will ensure that her invaluable natural resources are not wasted. The land must remain productive and fertile, the atmosphere clear and clean, the water unpolluted, the forest resources capable of regeneration, able to yield the needs of the national development. The beauty of the land must not be desecrated for its own sake or for economic advancement."

Malaysia's mid-term development planning instrument, the Third Outline Perspective Plan (2001-2010) also emphasizes sustainable development and one of the thrusts of development in the long-term is *"Pursuing environmentally sustainable development to reinforce long term growth"*. More specific environmental priorities are contained in the five-year Malaysian Plans. The Eight Malaysia Plan (2001-2005) retains the emphasis on a balanced development with environmental considerations. One of the nine key strategies to implement the plan is *'adopting an integrated and holistic approach in addressing environmental and resource issues to attain sustainable development'*. In order to advance this strategy, *"the government will adopt early preventive measures and apply the precautionary principle to address environment and natural resource issues. It will also put in place the enabling conditions for effective policy change."* The Plan also states that the Biodiversity Action Plan under the National Biodiversity Policy will be implemented in the various states.

Malaysia is committed to “take steps to fulfill its Conventions, Protocols and other international environmental obligations and to ensure that its programmes and projects are in line with its commitments”. This is affirmed in the country's Third Outline Perspective Plan (2001-2010)¹ that also restates that one thrust of development is “Pursuing environmentally sustainable development to reinforce long term growth”.

At the national level, five-year development plans shape the country's priorities. The Environment and Development nexus was accorded official recognition in the Third Malaysia Plan (1976-1980). Environmental and biodiversity concerns have been further incorporated into the five-year national development plans since Malaysia ratified the CBD, the UNFCCC and the Ramsar Convention. The Seventh Malaysia Plan (1996-2000) recognized that economic growth should not be achieved at the loss of remaining environmental and natural resources, and advocated increased efficiency and less reliance on natural inputs.

The Eighth Malaysia Plan (2001-2005) has 9 strategies, one of which is “adopting an integrated and holistic approach in addressing environmental and resource issues to attain sustainable development”. In order to advance this strategy, “the government will adopt early preventive measures and apply the

¹ The second and third Outline Perspective Plans embody the New Development Policy of the country.

precautionary principle to address environment and natural resource issues. It will also put in place the enabling conditions for effective policy change”.

The Mid-Term Review of the Eighth Malaysia Plan (2003) reaffirms Malaysia’s commitments to sustainable development and the Johannesburg Plan of Action that was adopted at the World Summit on Sustainable Development 2002.

However, effective integration between environment and development can be further enhanced. The social objectives of poverty eradication and redistribution of wealth as the over-arching priorities for development were integrated into development planning through the New Economic Policy since the 1970s, accompanied by institutional, administrative and financial measures. Similarly support of political will and systemic integration needs to be strengthened vis-à-vis the management of natural resources and the protection of the environment. Clarity and understanding of the interface between trade, environment and development in the context of the Precautionary Principle, both among line agencies and at the Federal-State level needs considerable intellectual work and coordination. Where policies and laws exist, enforcement needs to be strengthened. In every instance strong political support at Federal and State levels is required.

Federal-State System

A key challenge in particular for addressing biodiversity and land degradation is the Federal-State system. Under the Federal constitution, negotiations and implementing international treaty, or convention is under the purview of the Federal Government. Whereas land and natural resource management, local government and local/state development planning is predominantly in the purview of the respective States.

In addition, by virtue of its jurisdiction over matters such as commerce, trade and industry, the Federal Government is responsible for general environmental protection and pollution prevention and abatement. There are also certain areas of resource management that fall within a concurrent jurisdiction that is co-managed by the Federal and State Governments, such as the protection of wild animals and birds, and national parks. Lastly, the Federal Constitution empowers the Federal Parliament to legislate on State matters for the purpose of promoting uniformity of laws. An example is the National Land Code and the National Forestry Act.

Where matters fall under State jurisdiction, the Federal Government often provides guidelines, even directives, on development policy to ensure national coherence. An example is the National Land Council chaired by the Deputy Prime Minister, comprising all State Chief Ministers and *Menteri Besar*, which plays a vital role in achieving uniformity of policy and better federal-state and inter-state coordination.

Thus mechanisms and processes to facilitate Federal-State cooperation, collaboration and coordination, within a clearly defined and agreed framework for natural resource and environmental management, are crucial. Existing mechanisms have yielded results. For example, outreach and consultation efforts by the Ministry of Natural Resources and Environment (formally the Ministry of Science, Technology and the Environment; MOSTE) have successfully resulted in the offering of 3 Ramsar sites by the Johor State Government in 2003. Other States are also in the process of designating sites.

The National Biodiversity and Biotechnology Council (NBBC) that was established in 2001 with the objective of providing policy direction regarding the management of biodiversity and biotechnology. In this regard, the NBBC will play an important role in implementing the recommendation of NCSA and ensuring federal-state cooperation that is vital for biodiversity conservation and natural resource management. It is presently chaired by the Prime Minister, comprising relevant Federal Ministers and the State Chief Ministers and *Menteri Besar*, with the Conservation and Environment Management Division of the Ministry of Natural Resources and Environment (CEMD/NRE) serving as secretariat.

Multilateral Environment Agreements (MEAs)

Malaysia is a party to a broad range of international environmental conventions that provide an important orientation to environmental planning and implementation in Malaysia. This includes the Convention on Biological Diversity (CBD) and its Cartagena Protocol on Biosafety; Ramsar Convention on Wetlands; Montreal Protocol on Ozone Depleting Substances; and the UN Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol. Other conventions to which Malaysia is a party include the Convention on International Trade in Endangered Species (CITES), Basel Convention on Transboundary Movement of Hazardous Wastes and their Disposal and Rotterdam Convention on Prior Informed Consent.

This active participation flows from Malaysia's commitment to multilateral environmental agreements as a central instrument for global environmental management. In 1989-1992, Malaysia played a leading role, as a national delegation and also Chair of the Group of 77, in the negotiations of the UN Conference on Environment and Development that produced Agenda 21 as well as the parallel negotiations for the Convention on Biological Diversity (CBD) and the UN Framework Convention on Climate Change (UNFCCC). It was Malaysia's concern about the potential adverse impact of modern biotechnology on biodiversity and human health that resulted in the CBD provision for a legally binding instrument that subsequently led to the Cartagena Protocol on Biosafety.

On the institutional front, Malaysia was a key country in mobilizing support for the establishment of the UN Commission on Sustainable Development (CSD) that is tasked with integrating the three pillars of sustainable development: environment, economics and social. In this regard, Malaysia is the first Chairman of the CSD.

Malaysia's continuing commitment is reflected in the hosting of the Seventh Meeting of the Conference of the Parties to the CBD and the First Meeting of the Parties to the Cartagena Protocol in Kuala Lumpur in February 2004 and hosting the COP 4 of the Basel Convention in 1996

At the same time, global negotiations are increasing, both for further elaboration and implementation of existing MEAs as well as for developing new agreements. A key constraint for Malaysia is capacity to negotiate and implement its commitments and obligations. While a number of capacity building initiatives have been or are currently being undertaken, there are still important areas that need to be covered or reinforced. The NCSA seeks to meet this need.

In 2002, a Compliance and Opportunity Analysis (COA) was undertaken by CEMD/MOSTE (now CEMD/NRE), with support from the Danish International Development Assistance (DANIDA) of the Danish Ministry of Foreign Affairs. The COA was a pre-project exercise in preparation for the Project entitled "Multilateral Environmental Agreements: Capacity Building and Implementation". It covered 6

Conventions and Protocols that were prioritized by MOSTE (now NRE).² These address the conservation and sustainable use of biological diversity, climate change and persistent organic pollutants.

Of the selected international instruments, the COA provides an analysis of the major obstacles, barriers and opportunities for the implementation of the Convention on Biological Diversity, the Cartagena Protocol on Biosafety (this addressed Malaysia's preparatory activities as the Protocol was not in force yet at that time), the Ramsar Convention, the UNFCCC, the Kyoto Protocol (which Malaysia ratified during the COA project period) and the Stockholm Convention on POPs (which Malaysia signed during the COA). NRE/CEMD identified the CBD, the Cartagena Protocol, the UNFCCC and the Kyoto Protocol as the four highest priority MEAs for the DANIDA Project implementation.

The COA found that in addition to the need to build more capacity in the implementing line ministries/agencies, the main challenges particularly in relation to other sector policies were: inter-agency collaboration, lack of capacity at the State level, and the Federal-State relationship. The NCSA Project will be particularly timely and important to supplement and complement the outcomes of the COA. A summary of the findings of the COA is in Annex IV.

A challenge for Malaysia is the implementation of the Precautionary Principle which underpins the MEAs related to biodiversity and climate change. The Precautionary Principle is clearly stated in the Eighth Malaysia Plan (2001-2005). To advance one of the Plan's 9 strategies, i.e. *“adopting an integrated and holistic approach in addressing environmental and resource issues to attain sustainable development ... the government will adopt early preventive measures and apply the precautionary principle to address environment and natural resource issues. It will also put in place the enabling conditions for effective policy change”*. This is consistent with Malaysia's international commitments. See Annex II for further information on countries and the implementation of the Precautionary Principle.

Since this is one crucial aspect not addressed by the DANIDA COA, the NCSA Project will fill the gap.

Institutional Framework

Government

The recent changes in the Malaysian Cabinet effective April 2004 offer many new opportunities for environment management in Malaysia. There is finally a dedicated Ministry of Natural Resource and Environment (NRE), which is responsible for the management of natural resources and environment. Existing agencies, formerly under different Ministries have been brought under NRE, for example, the Marine Parks Unit and the Department for Irrigation and Drainage (formerly under the Ministry of Agriculture) and the Forest Research Institute of Malaysia and Forestry Department Peninsular Malaysia (formerly under the Ministry of Primary Industries) and Department of Environment and Wildlife Department (formally under MOSTE). The NCSA exercise in Malaysia will indeed be timely to assess the capacity needs of the new Ministry and to investigate the systemic capacity needs arising from the new structure for environment and natural resource management in the country.

The focal point and coordinating agency for MEAs, including the CBD, Ramsar Convention and UNFCCC is the Conservation and Environmental Management Division of NRE (CEMD/NRE). In 2001, the Conservation and Environmental Management Division in the then MOSTE was expanded from 3 officers to 12, to assume the role and responsibility as the national focal point and coordinating agency for

² CBD, Cartagena Protocol on Biosafety, Ramsar Convention, UNFCCC, Kyoto Protocol and the Stockholm Convention on Persistent Organic Pollutants.

MEAs. With the new changes in Cabinet and functions of Ministries in April 2004, this Division has moved to NRE.

On the UNFCCC, the National Steering Committee chaired by Secretary General of NRE with CEMD as the secretariat oversees policy formulation and planning regarding climate change issues. Malaysian Meteorological Service Department continues to be involved in scientific and technical inputs and is actively involved in the implementation of the UNFCCC. The National Committee on CDM (NCCDM) has been established in 2003 to look into the implementation of Clean Development Mechanism (CDM) activities under the Article 12 of Kyoto Protocol.

The focal point for the UN Convention to Combat Desertification (UNCCD) is the Ministry of Agriculture and Agro-Based Industry. In addition, its Department of Fisheries has an important role in biodiversity conservation and sustainable use. A joint committee between Department of Agriculture and Department of Irrigation and Drainage was set up in August 2005 to oversee the problem of erosion that causes the siltation of rivers arising from agricultural activities in sloping land.

Overall integration of environment and development lies with the Economic Planning Unit (EPU) of the Prime Minister's Department. It is the lead agency for the 5-year Malaysia Plans targeting development goals and policies. The development priorities, policies, plans and bulk of the budgeting are determined at this Federal level. During the preparations for the World Summit on Sustainable Development (WSSD), EPU anchored and chaired the national preparations. This was in recognition of the integrative role of EPU. Post-WSSD follow-up and national implementation as far as integration is concerned continues to be EPU's responsibility. The National Preparatory Committee for the WSSD could be activated for the implementation phase.

The establishment of a designated section on environment and natural resources within EPU in 2003 marks a significant event in integrating environment and development. This division can assist in charting the course for integration and in examining key issues in the 3 thematic areas. EPU can also contribute as a mediator and arbiter for the various interests of the line ministries and agencies as well as State agencies, within the overall objective of integrating environment and development.

Civil Society

There are some existing mechanisms for consultations with, and involvement of, stakeholders such as research institutions, universities, NGOs, community organizations, indigenous peoples' organizations and the private sector. The Environmental Quality Council is plays an advisory role to the Minister of NRE with the participation of NGOs, academics and private sector. With regards to the participation of NGOs in providing inputs to the overall policy and strategies regarding environmental mgmt, an annual dialogue between the Minister and all environmental NGOs is held.

The establishment of 18 Malaysian Environmental NGOs (MENGO) since 2001 has been a positive development. The MENGO Support Unit with 3 full-time staff members works with the NGOs to build capacity in the NGO community, especially those at the local level. Activities are also organized to increase NGO and public awareness of MEAs. At a National NGO Workshop on the CBD and Cartagena Protocol on 17-18 December 2003 organized by MENGO, a wide spectrum of organizations gathered to exchange information and learn more about the 2 MEAs, and the role of Malaysia as host country to the COP7/MOP1 meetings in February 2004. Two interactive sessions with senior MOSTE officials outlined a number of areas for further cooperation. Emphasis was placed on the implementation of the Precautionary Principle and the urgency for effective coordination among line agencies and between the Federal and State governments. The NCSA Project will work with MENGO, among others, to identify gaps, needs and activities for the 3 thematic areas and related cross-cutting dimensions.

PART II: Strategy

The *primary* objective of the NCSA is to identify priorities and needs for capacity building and enhancement to address global environmental management requirements through the fulfillment of Malaysia's international obligations and commitments, in particular by contributing to the mid-term review of the 9th Malaysia Plan and implementing the Precautionary Principle as stated in the 8th Malaysia Plan, at all levels of government.

The NCSA will review three thematic areas - biodiversity, climate change, and land degradation – and address the linkages between them. There will be particular emphasis on further identifying cross-cutting issues and enhancing synergies among the relevant MEAs and regional initiatives. The NCSA Project also identifies opportunities to reinforce and strengthen existing institutions, mechanisms and processes to create a sustainable institutional framework and process for continuous assessment and improvement of national capacities for effective environmental management. The Project will be implemented in a consultative country-driven and country-owned manner.

Malaysia will also use the NCSA process to analyze the following capacity needs:

1. Promoting more effective integration of environmental issues into decision-making, at the policy, legal and administrative levels;
2. Promoting analysis and understanding of the cross-cutting issues and linkages among biodiversity, climate change and land degradation;
3. Promoting clarity and understanding on trade, environment and sustainable development nexus;
4. Promoting the development of methodologies, criteria, indicators and tools for more effective integration of environmental issues into planning and decision-making;
5. Contributing to more effective implementation of existing laws and policies at the state and federal levels;
6. Contributing to enhanced dialogue, cooperation and coordination among ministries and agencies;
7. Contributing to enhanced dialogue, cooperation and coordination between government entities at the Federal and State levels;
8. Establishing and enhancing mechanisms for information sharing among ministries and agencies at the Federal and State levels;
9. Establishing and enhancing mechanisms for effective public participation through information-sharing and consultations; and
10. Identifying, strengthening and proposing institutional mechanisms and processes that can increase Malaysia's capacity in managing natural resources and the environment in an integrated manner, as well enhance her capacity in global negotiations.

Linkages to On-Going Projects

DANIDA Project

The most directly relevant on-going activity is the DANIDA project on “Multilateral Environment Agreements: Capacity Building and Implementation”. This was preceded by the DANIDA Project on Compliance and Opportunity Analysis (COA).

This NCSA proposal builds on the strengths and lessons learnt from the DANIDA COA Project. For example two priority issues analyzed through the DANIDA COA project are highlighted below:

a) Involvement of line agencies

The DANIDA COA points out the uneven level of involvement of relevant line agencies in implementing the four MEAs given highest priority by CEMD/NRE, i.e. the CBD, the Cartagena Protocol, UNFCCC and the Kyoto Protocol. This is due in part to lack of awareness, knowledge and capacity in those agencies, and also to inadequate coordination by the lead agencies.

The institutional set-up with so many MEAs being coordinated by a small number of NRE officers is clearly an obstacle to better inter-agency cooperation and coordination. NCSA will review this issue and identify capacity gaps.

b) Federal-State cooperation

Another priority identified in the COA exercise is the strengthening of Federal-State cooperation in implementing various conventions. The NCSA will also review this important cross-cutting issue.

UNDP-GEF Co-Funded Projects

UNDP-GEF is co-financing several projects in both biodiversity and climate change focal areas. These projects include the “Conservation and Sustainable Use of Tropical Peat Swamp Forests and Associated Wetland Ecosystems” project, the “Biomass –based Power Generation and Cogeneration in the Malaysian Palm Oil Industry” project, the “Malaysian Industrial Energy Efficiency Improvement Project” and the “Malaysian Building Integrated Photovoltaic Technology Application” project. Each of these projects will be able to share lessons learnt and offer insights to the NCSA process.

In addition, during the NCSA period, it is expected that two new biodiversity projects; “Conserving Marine Biodiversity through Enhanced Marine Park Management and inclusive Sustainable Island Development” project and “Targeted Research: Conservation of Biological Diversity through Improved Forest Planning Tools” project and a biosafety project; “Capacity Building Activities on Implementing the Cartagena Protocol on BioSafety” project would be launched. The NCSA process and the interim findings from the assessment itself could inform the inception phases of those UNDP-GEF projects and perhaps common solutions to address the cross-cutting capacity issues could be accommodated within some of the planned project activities.

ASEAN Agreement and Action Plan to Prevent, Monitor and Combat Transboundary Haze Pollution

In recent years, uncontrolled land and forest fires have threatened the environment through their massive release of greenhouse gases, their destruction of biodiversity and the land degradation in their wake.

The ASEAN Agreement on Transboundary Haze Pollution entered into force on 25 November 2003. It provides a comprehensive system of response and prevention, and comprises a legally binding framework and an action plan to prevent haze from land and forest fires. The action plan is designed to build fire fighting capability in the region and an early warning system, which uses high resolution satellite imagery to detect hotspots.

The Agreement among 10 countries was concluded under the auspices of UNEP and the ASEAN Secretariat. Malaysia, Thailand, Brunei Darussalam, Myanmar, Singapore and Vietnam are Parties. According to UNEP, it “could become a global model for the tackling of transboundary issues”.

Malaysia is committed to vigilant enforcement of anti-burning laws at the national level and strong regional cooperation to implement the Agreement. UNEP is committed to provide implementation

support for ASEAN through capacity building in areas such as monitoring, legislation and education as well as the convening of the First Meeting of the Conference of Parties.

The NCSA will contribute to that process by identifying Malaysia's capacity needs that synergizes the linkages between the ASEAN Agreement and the CBD, UNFCCC and UNCCD.

South-south Cooperation

Malaysia is a strong proponent of technical cooperation among developing countries. UNDP Malaysia is also actively supporting the Government of Malaysia in this regard. It is therefore fitting that the NCSA process tap into the knowledge as well as contribute to the public institutions that conduct training and capacity building programmes for Malaysia and other developing countries. Of relevance to the NCSA are the National Institute for Public Administration (INTAN), the Institute for Diplomacy and Foreign Relations (IDFR) under the Prime Minister's Department and the Environmental Institute of Malaysia (EiMas) that was set up by the DOE in collaboration with the Universiti Kebangsaan Malaysia (UKM).

There are also individuals within the Malaysian government with considerable experience and institutional memory related to MEAs, and technical expertise in the fields of biodiversity conservation, biosafety and climate change. Some of them are already contributing to UN and GEF supported capacity building initiatives for other developing countries.

ASEAN

ASEAN member countries have established four working groups relevant to environment, in order to promote cooperation in the area of environment among them. ASEAN member countries are actively engaged in those working groups. The working groups are as follows:

1. ASEAN Working Group on Multilateral Environmental Agreements (AWGMEA) which is working to strengthen regional cooperation in implementing atmosphere, related conventions and chemicals related conventions;
2. ASEAN Working Group on Nature Conservation and Biodiversity (AWGNCB) which aims to promote regional coordination of implementing biodiversity conservation related conventions and activities;
3. ASEAN Working Group on Sustainable Cities (AWGSC) which is to promote the development of the cities in the sustainable manner; and
4. ASEAN Working Group on Environmentally Sound Technologies, which is to promote the implementation of technologies, which are environmentally friendly.

The Four Working Groups aim to address relevant convention issues within the region, including capacity building that are necessary for member countries. Where issues can be addressed regionally, the result of NCSA will be able to discuss at these working groups, to further enhance identified capacity within the region.

PART III : Management Arrangements

Government of Malaysia

National Executing Agency

The NRE will take charge of implementing the project, adhering to UNDP rules and procedures for national execution. Its responsibilities include; -

Managing the resources allocated to the project to achieve the expected results and planning financial disbursements, in accordance with the work plan, and the project document;

Maintaining an up-to-date accounting system that contains records and controls to ensure the accuracy and reliability of financial information and reporting; and

Recording the receipt and disbursement of UNDP funds and verifying that disbursements do not exceed the available funds or the amount allocated to each approved budgetary category;

In addition to the above, NRE will provide the following in-kind contribution:

1. The National Project Director, whose terms of reference (TOR) is provided in Annex I;
2. A Project Coordination Committee, with TOR as provided in Annex III;
3. Appropriate officers to be attached as counterparts to the consultants;
4. Office facilities for consultants;
5. Access to all relevant data and information required to undertake the study;
6. Use of office support facilities (e.g. computers, fax, stationery, photostat machine, telephone, local transport), and secretarial support; and
7. Facilities for convening meetings.

Project Steering Committee (PSC)

The Project will be guided by a Project Steering Committee (PSC) that is responsible for its overall development and implementation. The PSC will be established immediately upon project approval and award. The PSC's mandate is to:

1. Ensure satisfactory progress towards the objectives of the NCSA Project;
2. Promote active participation in the NCSA by all stakeholders including relevant public authorities, institutions, NGOs and the private sector;
3. Encourage effective cooperation among stakeholders in the execution of NCSA; and
4. Monitor and evaluate Project activities and ensure the fulfillment of responsibilities of all participants in the NCSA.

The PSC's composition will reflect the cross-section of key government agencies with responsibilities covering various aspects of environmental and natural resource management. The respective State Development Planning Units will represent the East Malaysian States of Sabah and Sarawak.

Representatives from the private sector, universities and NGOs will also be invited to be members of the PSC. The membership of the PSC is given below:

1. Deputy Secretary General (I) NRE (Chair)
2. The Economic Planning Unit, Prime Minister's Department
3. Ministry of Science, Technology and Innovations
4. Ministry of International Trade and Industry
5. Ministry of Agriculture and Agro-based Industries
6. Ministry of Housing and Local Government
7. Ministry of Energy, Water and Communications
8. Ministry of Plantation Industries and Commodities
9. Sabah State Economic Planning Unit
10. Sarawak State Economic Planning Unit
11. Invited representative of the Private Sector
12. Invited representative of the environmental NGOs
13. Conservation and Environment Management Division, Ministry of Natural Resources and Environment (Secretariat)
14. Resident Representative, United Nations Development Programme (UNDP).

The management of the NSCA Project will be undertaken by the National Project Center to be located at NRE to maximize coordination and collaboration with CEMD/NRE which houses the focal points for the CBD and UNFCCC.

Project Management Group (PMG)

A Project Management Group (PMG) will be established to provide advice on technical issues and provide linkage between the activities. The PMG will be responsible to the PSC for the following:

1. Ensure that the project is implemented in a timely and efficient manner;
2. Providing liaison between UNDP Country Office (UNDP CO), UNDP-GEF and the implementing agency to ensure efficient project implementation;
3. Undertake strategic project development, including development of workplans;
4. Report to the PSC on the progress of project activities as well as recommendable changes in outputs and activities in project document; and
5. Ensure timely preparation of information material related to the project.

Members of the PMG includes:

1. Undersecretary, CEMD/NRE (Chair)
2. Malaysian Meteorological Services Department
3. Department of Environment (DOE)
4. Department of Wildlife and National Parks (DWNP)
5. Malaysia Energy Centre (PTM)
6. Energy Commission (ST)
7. Department of Agriculture
8. Forestry Department Peninsular Malaysia
9. Forest Research Institute Malaysia (FRIM)
10. CEMD/NRE (Secretariat)

National Project Director (NPD)

The National Project Director (NPD) to be designated by the Secretary-General of NRE, will have overall responsibility to ensure the implementation of Activities 2 to 6 listed above in accordance with the goals and objectives of the NCSA. The NPD shall ensure maximum coordination and collaboration with the UNCCD focal point that is housed in the Ministry of Agriculture and Agro-based Industries. The terms of reference for the NPD is attached in Annex I

National Coordinator

NRE as the National Executing Agency will recruit a National Coordinator and an Assistant National Coordinator, in consultation with the NPD and UNDP. The National Coordinator will be responsible to the National Project Director (NPD). The National Coordinator will prepare implementation and work plans to carry out the listed activities, in consultation with the NPD and designated national experts. The Terms of Reference for the National Coordinator is attached in Annex I.

National Experts

NRE, in consultation with the PSC, PMG and NPD, will designate national experts to undertake stocktaking, thematic and cross-cutting assessments, and preparation of the Final Report and Action Plan. These experts will assist the National Coordinator in preparing implementation and work plans.

The national experts will assist in the preparation of the high-level planning meetings/workshops with the relevant stakeholders on the launching of the NCSA process as well as the workshop to present the output of the NCSA. The experts will also participate as resource persons in these meetings/workshops.

Explain the roles and responsibilities (including clarification on the accountability for resources) of the parties in carrying out the project activities. These should correspond with the parties listed in the signature page as implementing partner and other partners. Explain the structures of the project (refer to organigram in Section IV) including the Project Management Unit.

Other elements in this section include collaborative arrangements with related projects (if any), prior obligations and prerequisites, and a brief description/summary of the inputs to be provided by all partners.

Explain the consultations held and coordination arrangements with other IAs and EAs, as relevant.

"In order to accord proper acknowledgement to GEF for providing funding, a GEF logo should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF. The UNDP logo should be more prominent -- and separated from the GEF logo if possible, as UN visibility is important for security purposes."

PART IV: Monitoring and Evaluation Plan and Budget

Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from UNDP/GEF. The Logical Framework Matrix provides *performance* and *impact* indicators for project implementation along with their corresponding *means of verification*. These will form the basis on which the project's Monitoring and Evaluation system will be built.

The following sections outline the principle components of the Monitoring and Evaluation Plan and indicative cost estimates related to M&E activities. The project's Monitoring and Evaluation Plan will be presented and finalized at the Project's Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

Project Inception Phase

A Project Inception Workshop will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit, as well as UNDP-GEF (HQs) as appropriate.

A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goals and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the project's logical framework matrix. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise finalize the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.

Additionally, the purpose and objective of the Inception Workshop (IW) will be to: (i) introduce project staff with the UNDP-GEF expanded team which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis à vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Report (APR) and Tripartite Review Meetings. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings.

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

Monitoring responsibilities and events

A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Tripartite Reviews, Project Steering Committee Meetings, Project Management Group meetings and (ii) project related Monitoring and Evaluation activities.

Day to day monitoring of implementation progress will be the responsibility of the National Coordinator based on the project's Annual Work Plan and its indicators. The National Coordinator will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

The National Coordinator and the Project GEF Technical Advisor will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan.

The local implementing agencies will also take part in the Inception Workshop in which a common vision of overall project goals will be established. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

UNDP Country Offices and UNDP-GEF RCUs as appropriate, will conduct yearly visits to projects that have field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report / Annual Work Plan to assess first hand project progress. Any other member of the Steering Committee can also accompany, as decided by the SC. A Field Visit Report will be prepared by the CO and circulated no less than one month after the visit to the project team, all SC members, and UNDP-GEF.

Annual Monitoring will occur through the Tripartite Review (TPR). This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Tripartite Review (TPR) at least once every year. The first such meeting will be held within the first twelve months of the start of full implementation. The project proponent will prepare an Annual Project Report (APR) and submit it to UNDP-CO and the UNDP-GEF regional office at least two weeks prior to the TPR for review and comments.

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

Terminal Tripartite Review (TTR): The terminal tripartite review is held in the last month of project operations. The project proponent is responsible for preparing the Terminal Report and submitting it to UNDP-CO and RBAP-GEF's Regional Coordinating Unit. It shall be prepared in draft at least two months in advance of the TTR in order to allow review, and will serve as the basis for discussions in the TTR. The terminal tripartite review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation or formulation.

The TPR has the authority to suspend disbursement if project performance benchmarks are not met. Benchmarks will be developed at the Inception Workshop, based on delivery rates, and qualitative assessments of achievements of outputs.

Project Monitoring Reporting

The National Coordinator in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process. Items (a) through (f) are mandatory and strictly related to monitoring, while (g) through (h) have a broader function and the frequency and nature is project specific to be defined throughout implementation.

(a) Inception Report (IR):

A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed First Year Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan would include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame.

The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may effect project implementation.

When finalized the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

(b) Annual Project Report (APR)

The APR is a UNDP requirement and part of UNDP's Country Office central oversight, monitoring and project management. It is a self -assessment report by project management to the CO and provides input to the country office reporting process and the Result Oriented Annual Report (ROAR), as well as forming a key input to the Tripartite Project Review. An APR will be prepared on an annual basis prior to the Tripartite Project Review, to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work.

The format of the APR is flexible but should include the following:

1. An analysis of project performance over the reporting period, including outputs produced and, where possible, information on the status of the outcome
2. The constraints experienced in the progress towards results and the reasons for these
3. The three (at most) major constraints to achievement of results
4. Annual Work Plan (AWP), Country Assistance Evaluation (CAE) and other expenditure reports (ERP generated)
5. Lessons learned
6. Clear recommendations for future orientation in addressing key problems in lack of progress

(c) Quarterly Operational Reports

Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF regional office by the project team. See format attached.

(d) Periodic Thematic Reports

As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

(e) Project Terminal Report

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

(f) Technical Reports (project specific – optional)

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

(g) Project Publications (project specific – optional)

Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

Independent Evaluation

The project will be subjected to an external evaluation as follows:

(i) Final Evaluation

An independent Final Evaluation will take place three months prior to the terminal tripartite review meeting. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

Audit Clause

The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government. 21

Learning and Knowledge Sharing

Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition:

- The project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP/GEF shall establish a number of networks, such as Integrated Ecosystem Management, eco-tourism, co-management, etc, that will largely function on the basis of an electronic platform.
- 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. Identify and analyzing lessons learned is an on- going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned. To this end a percentage of project resources will need to be allocated for these activities.

Monitoring and Evaluation Budget

A total of USD 5,000 has been budgeted for project evaluation, which will focus on progress in meeting the indicators for measuring the impact (i.e. the success of the project in achieving lasting, sustainable conservation of globally significant biodiversity). They will be expected to also report on stakeholder participation and satisfaction, in addition to the usual evaluation parameters.

PART IV: Legal Context (standard text below)

This project document shall be the instrument envisaged in the Supplemental Provisions to the Project Document. The Supplemental Provisions to the Project Document is a standard annex to project documents that is used in countries which are not parties to the Standard Basic Assistance Agreement (SBAA). The Supplemental Provisions outlines the specific basic conditions under which UNDP assists the Government in carrying its development programmes. It specifies the UNDP privileges and immunities, the forms of assistance, the management arrangements, the role of the Government and the executing agency, resources, costs and general provisions. The host country-implementing agency shall for the purpose of the Supplemental Provisions to the Project Document, refer to the Government Cooperating agency described in the Supplemental Provisions.

All activities stipulated in the Project Document shall be implemented accordingly. However, should there be a need to make changes/modifications to any of the agreed activities; all signatories of the Project Document must concur, before such changes are made.

The following types of revisions may be made to this project document with the signature of the UNDP principal project representative and the Government of Malaysia, provided he or she is assured that the other signatories of the project document have no objection to the proposed changes:

1. Revisions in, or addition of, any of the annexes of the project document [with the exception of the Standard Legal Text for non-SBAA countries which may not be altered and the agreement to which is a pre-condition for UNDP assistance].
2. Revisions which do not involve significant changes in the immediate objectives, outputs or activities of a project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation; and
3. Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or to take into account agency expenditure flexibility.

Audit Requirements

As with all nationally executed projects, the project must be audited periodically. The objective of the audit is to provide the UNDP Administrator with the assurances that UNDP resources are being managed in accordance with:

- a) The financial regulations, rules, practices and procedures prescribed for the project.
- b) The project document and work plans, including activities, management and the project implementation arrangements, monitoring, evaluation, and reporting provisions
- c) The requirements for execution in the areas of management, administration and finance.

While the Government is responsible for ensuring that the audit requirements are met, the project may also be subject to audit by the auditors of UNDP, and UNDP shall have right of access to the relevant records.

UNDP will assist the Government Auditors, subject to written request, to provide the relevant vouchers on direct payment and other documents related to cash advances, provided always that these specific documents are not available from the implementing agency. The final Combined Delivery Report (CDR) will be provided by UNDP by 15 March of each year.

The Government must ensure that the audit is performed in accordance with the generally accepted standards and ensure that the audit report is duly reviewed and will reach UNDP Headquarters via the UNDP Malaysia office by 30 April of each year.

Confidentiality

The Parties shall undertake that neither Party shall disclose or distribute any confidential information, documents or data received or supplied to the other Party in the course of the implementation of this Project Document and any other agreements made pursuant to this Project Document, to any third party except to the extent as authorised in writing to do so by the other Party.

Both the Parties agree that the provisions of this Article shall continue to be binding between the Parties notwithstanding the expiry or termination of this Project Document.

Suspension

Each Party reserves the right for reasons of national security, national interest, public order or public health to suspend temporarily, either in whole or in part, the implementation of this Project Document which suspension shall take effect immediately after notification has been given to the other Party in writing.

Revision, Modification and Amendment

Any Party may request in writing a revision, modification or amendment of all or any part of this Project Document. Any revision, modification or amendment agreed to by the Parties shall be reduced into writing and shall form part of this Project Document. Such revision, modification or amendment shall come into force on such date as may be determined by the Parties. Any revision, modification or amendment shall not prejudice the rights and obligations arising from or based on this a Project Document prior or up to the date of such revision, modification or amendment.

Arbitration

Any dispute, which cannot be resolved amicably, shall be settled by arbitration in accordance with the Arbitration Act 1952 [Act 93] and the rules of arbitration as adopted by the Regional Centre for Arbitration at Kuala Lumpur.

The number of arbitrators shall be three (3), with one (1) arbitrator to be appointed by UNDP and one (1) arbitrator by the Government and the third to be agreed between the two (2) nominated arbitrators. If the two (2) arbitrators fails to agree on the person to be nominated, on the application of either Party hereto the same shall be appointed by the Director of the Regional Centre of Arbitration in Kuala Lumpur.

Any such reference to arbitration shall be deemed to be a submission to arbitration within the meaning of the Arbitration Act 1952.

The decision of the panel of arbitrators shall be final and binding on both Parties. The arbitrator shall have the power to order specific performance of any obligation under this Project Document.

Entry into Force, Duration and Termination

This Project Document shall enter into force on the Starting Date and shall remain in force until the Completion Date unless on of the Parties notify the other Party of its intention to terminate this Project by a notice in writing, at least six (6) months prior to the date of the intended termination.

The termination of the Project Document shall not affect the implementation of on going activities/programmes which have been agreed upon prior to the date of the termination of this Project Document.

Protection of Intellectual Property Rights

The protection of intellectual property rights shall be enforced in conformity with the national laws and regulations of Malaysia and with other international agreements signed by the Parties.

The use of the name, logo and/or official emblem of any of the Parties on any publication, document and/or paper is prohibited without the prior written approval of Party concerned.

Notwithstanding anything in paragraph 1 above, the intellectual property rights in respect of any technological development, products and services development, carried out:

Jointly by the Parties or the research results obtained through the joint effort of the Parties, shall be owned by the Parties in accordance with the terms to be mutually agreed upon; or
Solely and separately by the Party or the research results obtained through the sole and separate effort of the Party, shall be solely owned by the Party concerned.

Section II: Strategic Results Framework

Table 1: Indicative Outputs, Activities and quarterly workplan

<p>Intended Outcome as stated in the Country Results Framework Global Environment concerns and commitments integrated in national development planning and policy</p>
<p>Outcome indicator: The objectives and targets of the national strategy /plan/programme for biodiversity integrated into national development planning and policy framework Baseline: Malaysia is a signatory to the UN CBD, UNFCCC and UNCCD. End target: Development and integration of the NCSA Action Plan into the mid-term review of the Ninth Malaysia Plan and deliberated in the National Council on Biodiversity and Biotechnology.</p>
<p>Partnership Strategy The executing agency is NRE.</p>
<p>Project title and number PIMS 2625: National Capacity Needs Self-Assessment for Global Environmental Management (NCSA)</p>

Intended Outputs	Output Targets	Indicative Activities	Inputs
1 Establishment of coordination and support mechanisms.	1.1 Establishment of Project Steering Committee; 1.2 Establish National Project Centre, with one National Project Director, one National Coordinator and one Assistant and national experts for thematic and cross-cutting assessments. 1.3 Preparation of implementation and workplans, ToR, employ and engage project national experts.	1.1.1 Conduct the Inception Workshop 1.1.2 Conduct high-level planning meetings/ workshops with stakeholders on the launching of the NCSA process	<ul style="list-style-type: none"> • Workshops • National Project Director • National Coordinator and Assistant • National experts
2 Stocktaking of related Stakeholder Activities	2.1 Summary on stocktaking of stakeholder activities produced	2.1.1 Stocktaking of ongoing and previous related activities of the stakeholders. Establish contact with	<ul style="list-style-type: none"> • National Experts • Stakeholder workshops

Intended Outputs	Output Targets	Indicative Activities	Inputs
		<p>concerned stakeholders and invite representative stakeholders to participate in project activities</p> <p>2.1.2 Establish links with related ongoing projects in Malaysia, and evaluate current synergies between the three thematic areas</p> <p>2.1.3 Assessment of the implementation of thematic areas</p> <p>2.1.4 Outreaching and establishing links with other regional NCSAs</p>	
3 Stocktaking of past thematic evaluation of capacity constraints	3.1 Summary of stocktaking of past thematic evaluation of capacity constraints produced.	<p>3.1.1 Assessment of capacity development needs as proposed in the thematic areas</p> <p>3.1.2 Assessment of existing documentation related to capacity building in Malaysia that describes the urgency and centrality of the issues in each theme</p> <p>3.1.3 Evaluation of areas where capacity has not been assessed at either the system, institutional or individual level.</p>	<ul style="list-style-type: none"> National experts.
4 National level stakeholder roundtable dialogues	4.1 National level stakeholder roundtable dialogue workshops	4.1.1 Engaging participants from all relevant sectors including government, NGOs and community organisations, the private	<ul style="list-style-type: none"> Roundtable dialogue workshops

Intended Outputs	Output Targets	Indicative Activities	Inputs
		sector and academia in the NCSA process 4.1.2 Cover the progress on implementing the three thematic areas, the formal and informal, governmental and non-governmental institutional framework, the capacity constraints, the scope and workplan of this project and possible methodologies for undertaking the capacity assessment 4.1.3 Obtain recommendations for the optimal methodology to undertake the in-depth assessment 4.1.4 Identification of resource persons to participate in future activities	
5	In-depth analysis of thematic priority areas	5.1 Summary of thematic analysis produced 5.1.1 Identify methodologies for in-depth capacity analysis 5.1.2 Determine methods and levels of stakeholder consultation during this assessment stage, based on input from national level dialogue	<ul style="list-style-type: none"> • National experts • Reports
6	Cross-cutting capacity needs assessment	6.1 Summary of cross-cutting needs assessment produced 6.1.1 Identify methodologies for cross-cutting analysis 6.1.2 Assess capacity constraints i.e. strengths and weaknesses at the individual, institutional and	<ul style="list-style-type: none"> • National experts • Reports

Intended Outputs	Output Targets	Indicative Activities	Inputs
		<p>systemic levels at each thematic area,</p> <p>6.1.3 Assess cross-cutting capacity needs</p> <p>6.1.4 Assess synergies between the thematic areas</p>	
<p>7 Development of final report and action plan.</p>	<p>7.1 A final report will be produced that will describe and summarise the stocktaking, thematic and cross-cutting assessments and consultation processes</p> <p>7.2 An action plan developed to identify strategic opportunities to feed the outputs of the NCSA, including the preparation of the mid-term review of the Ninth Malaysia Plan, the deliberations of the National Council on Biodiversity and Biotechnology</p>	<p>7.1.1 A workshop to the various groups that presents the results of the NSCA including the results of the stock taking exercise, capacity constraints and priority areas, evaluation of synergies and cross sectoral issues and draft action plan</p>	<ul style="list-style-type: none"> • Workshop • National experts

Section III: Total Budget and Workplan

TOTAL PROJECT WORKPLAN AND BUDGET

(to be read in conjunction with Advisory Note on Atlas and Total Workplan and Budget Terminology)

Award ID: tbd												
Award Title: PIMS 2625 NC EA: NCSA-Nat Cap Self-Assmnt for Global Env												
Project ID: PIMS 2625												
Project Title: National Capacity Needs Self-Assessment for Global Environmental Management (NCSA)												
Executing Agency:												
1	GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Source of Funds	Atlas Code	ERP/ATLAS Budget Description/Input	Amount (USD) Year 1	Amount (USD) Year 2	Total (USD)				
1.	Output 1: Establishment of coordination and support mechanisms	GoM/ NRE	GEF	71405	Contractual Services-Indiv (National Coordinator)	30,000.00	15,000.00	45,000.00				
				71405	Contractual Services-Indiv (Asst. National Coordinator)	15,000.00	7,500.00	22,500.00				
				71610	Travel Tickets-Local	2,500.00	2,500.00	5,000.00				
				71620	Daily Subsistence Allow- Local	2,000.00	2,000.00	4,000.00				
				74525	Miscellaneous expenses- sundry (Inception Workshop)	2,500.00		2,500.00				
				74525	Miscellaneous expenses- sundry (Monitoring and evaluation)	2,500.00	2,500.00	5,000.00				
				<i>Subtotal</i>						<i>54,500.00</i>	<i>29,500.00</i>	<i>84,000.00</i>
				GoM	71400	Contractual services - indiv (supervisory)	9,000.00	4,500.00	13,500.00			
				71400	Contractual services - indiv (managerial)	12,000.00	6,000.00	18,000.00				
				73125	Common services - premises	12,000.00	6,000.00	18,000.00				

			75110	Facilities and Admin - services	3,000.00	1,500.00	4,500.00
			71605	Travel tickets - intl	2,500.00	2,500.00	5,000.00
			71615	Daily Subsistence Allow - intl	1,500.00	1,000.00	2,500.00
			74105	Management and Reporting Srvs	18,000.00	9,000.00	27,000.00
			<i>Subtotal</i>		<i>58,000.00</i>	<i>30,500.00</i>	<i>88,500.00</i>
2.	Output 2: Stocktaking of related Stakeholder Activities	GoM/ NRE	GEF	71305	Local Consult.-Sht Term-Tech (National experts)	10,000.00	10,000.00
				71610	Travel tickets - local	2,500.00	2,500.00
				71620	Daily Subsistence Allow - local	2,500.00	2,500.00
			<i>Subtotal</i>		<i>15,000.00</i>		<i>15,000.00</i>
			GoM	71610	Travel tickets - local	500.00	500.00
				71620	Daily Subsistence Allow - local	250.00	250.00
				74525	Miscellaneous expenses-sundry (Stakeholder Workshop)	1,850.00	1,850.00
			<i>Subtotal</i>		<i>2,600.00</i>		<i>2,600.00</i>
3.	Output 3: Stocktaking of past thematic evaluation of capacity constraints	GoM/ NRE	GEF	71305	Local Consult.-Sht Term-Tech (National experts)	6,000.00	6,000.00
				74525	Miscellaneous expenses-sundry (Stakeholder Workshop)	2,500.00	2,500.00
			<i>Subtotal</i>		<i>8,500.00</i>		<i>8,500.00</i>
			GoM	74525	Miscellaneous expenses-sundry (Stakeholder Workshop)	1,850.00	1,850.00

				<i>Subtotal</i>		<i>1,850.00</i>		<i>1,850.00</i>		
4.	Output 4: National level stakeholder roundtable dialogues	GoM/ NRE	GEF	74525	Miscellaneous expenses-sundry (Workshop)		5,000.00	5,000.00		
				71610	Travel Tickets-Local (Workshop participants travel)		5,000.00	5,000.00		
				71625	Daily Subsist Allow-Mtg Partic		2,500.00	2,500.00		
						<i>Subtotal</i>		<i>12,500.00</i>		<i>12,500.00</i>
			GoM	71610	Travel tickets - local		500.00		500.00	
				71620	Daily Subsistence Allow - local		250.00		250.00	
				74525	Miscellaneous expenses-sundry (Workshop)		1,850.00		1,850.00	
						<i>Subtotal</i>		<i>2,600.00</i>		<i>2,600.00</i>
5.	Output 5: In-depth analysis of thematic priority areas	GoM/ NRE	GEF	71305	Local Consult.-Sht Term-Tech (National experts)		10,000.00	10,000.00		
				71610	Travel Tickets-Local		2,500.00	2,500.00		
				71620	Daily Subsistence Allow-Local		2,500.00	2,500.00		
						<i>Subtotal</i>		<i>15,000.00</i>		<i>15,000.00</i>
			GoM	71610	Travel tickets - local		500.00		500.00	
				71620	Daily Subsistence Allow - local		250.00		250.00	
						<i>Subtotal</i>		<i>750.00</i>		<i>750.00</i>
6.	Output 6: Cross cutting capacity needs assessment	GoM/ NRE	GEF	71305	Local Consult.-Sht Term-Tech (National experts)		12,000.00	12,000.00		
						<i>Subtotal</i>		<i>12,000.00</i>		<i>12,000.00</i>
			GoM	74525	Miscellaneous expenses-sundry		1,850.00		1,850.00	
						<i>Subtotal</i>		<i>1,850.00</i>		<i>1,850.00</i>

7.	Output 7: Development of final report and action plan	GoM/ NRE	GEF	74210	Printing and publications (Final report and Action Plan)		10,000.00	10,000.00
				74215	Promotional Materials and Dist (Final report and Action Plan)		3,000.00	3,000.00
				74525	Miscellaneous expenses-sundry (Workshop)		10,000.00	10,000.00
			<i>Subtotal</i>					23,000.00
		GoM	74525	Miscellaneous expenses-sundry (Workshop)		1,850.00	1,850.00	
		<i>Subtotal</i>				1,850.00	1,850.00	
Total						155,550.00	114,450.00	270,000.00

Summary of funds:

GEF	90,500.00	79,500.00	170,000.00
Government of Malaysia (GoM) (in-kind)	65,050.00	34,950.00	100,000.00
Total	155,550.00	114,450.00	270,000.00

PART III: Project Schedule

Output	Activity	Month																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Establishment of coordination and support mechanisms	█	█																
2	Stocktaking of related Stakeholder Activities			█	█	█													
3	Stocktaking of past thematic evaluation of capacity constraints				█	█	█												
4	National level stakeholder roundtable dialogues							█											
5	In-depth analysis of thematic priority areas								█	█	█	█							
6	Cross-cutting capacity needs assessment										█	█	█	█					
7	Development of final report and action plan														█	█	█	█	█

Section IV: Additional Information

PART I: Other Agreements

Approved EA proposal



Global Environment Facility

Leonard Good
Chief Executive Officer
and Chairman

1818 H Street, NW
Washington, DC 20433 USA
Tel: 202.473.3202
Fax: 202.522.3240/3245
Email: lgood@TheGEF.org

March 16, 2006

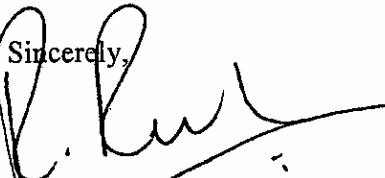
Mr. Frank Pinto
GEF Executive Coordinator
United Nations Development Programme
One United Nations Plaza
304 East 45th St.
FF Bldg., 10th floor
New York, NY 10017

Dear Mr. Pinto:

I am writing in reference to UNDP's letter of January 26, 2006, enclosing the project proposal entitled, *Malaysia: National Capacity Needs Self-Assessment for Global Environment Management (NCSA)*.

I wish to inform you that the CEO has approved the proposal for a total amount of US\$170,000 on March 16, 2006. In accordance with agreed procedures for enabling activities, he has authorized you to make 15% of the approved amount available immediately for start up work in the recipient country.

Please find attached a copy of the project tracking sheet for your records.

Sincerely,


Ramesh Ramankutty
Head, Operations and Business Strategy

cc: O. Deleuze (UNEP), S. Gorman (World Bank), STAP

Other agreements

GEF Focal Point Endorsement Letter



KEMENTERIAN SUMBER ASLI DAN ALAM SEKITAR
(Ministry Of Natural Resources And Environment)
BAHAGIAN PEMULIHARAAN DAN PENGURUSAN ALAM SEKITAR
(Conservation and Environmental Management Division)
TINGKAT 6, BLOK MENARA 4G3, PRESINT 4
PUSAT PENTADBIRAN KERAJAAN PERSEKUTUAN
62574 PUTRAJAYA



Tel : 03-88861111
Fax : 03-88884473
URL : <http://www.nre.gov.my>

Our ref.: NRE.62.130.010.
001/014
Date: 24 January 2006

UNDP Resident Representative
United Nations Development Programme
Wisma UN, Block C
Kompleks Pejabat Damansara
Jalan Dungun, Damansara
50490 Kuala Lumpur

Dear Sir,

National Capacity Self-Assessment (NCSA), Malaysia

I am pleased to refer to the above matter.

2. As the Global Environment Facility (GEF) operational focal point for Malaysia, I hereby endorse the enclosed proposal for GEF funding for National Capacity Self Assessment for Global Environmental Management (NCSA). In this regard, we have undertaken consultation process with the relevant stakeholders and their views have been taken into account during the formulation of the project's proposal. Malaysia considers the NCSA to be an important and valuable exercise in our ongoing efforts to protect the global environment while working to achieve our national sustainable development goals.

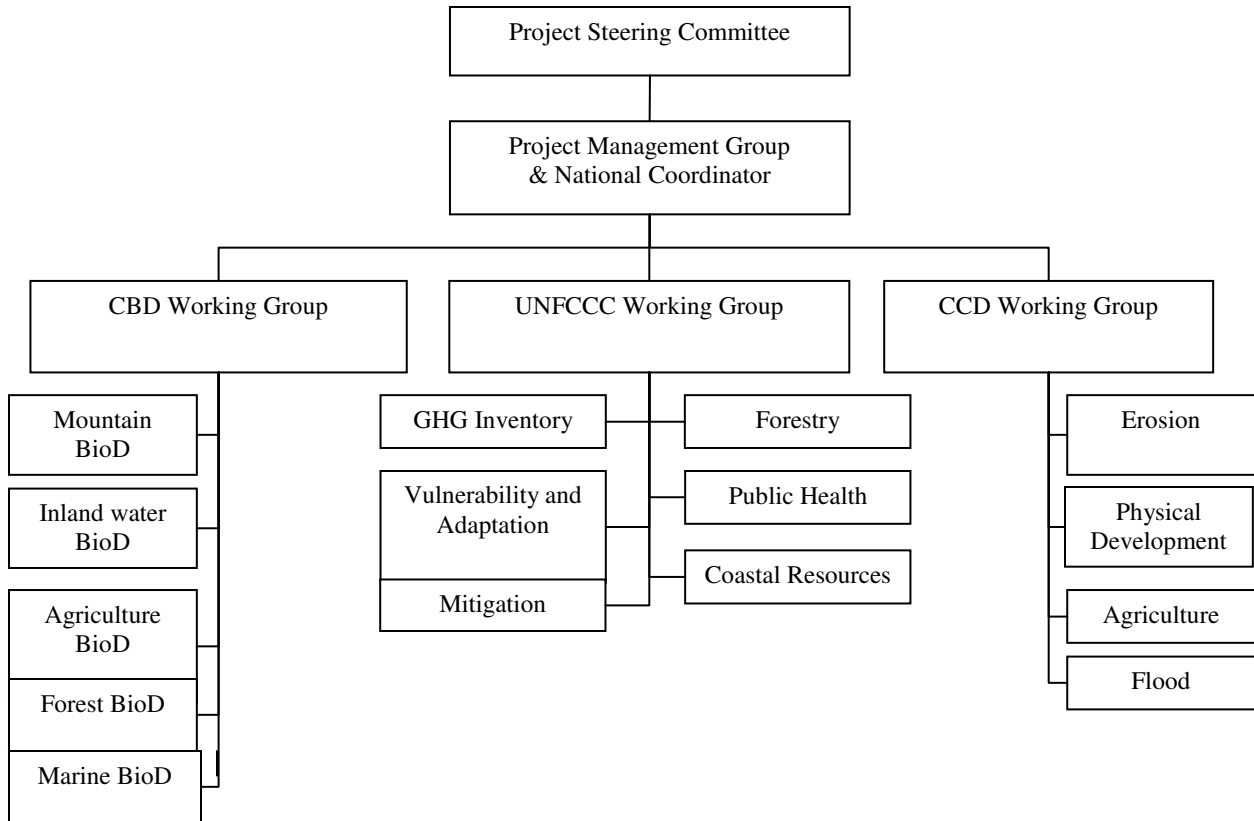
Your kind cooperation is greatly appreciated.

Thank you

Yours Sincerely,

(NADZRI YAHAYA, PhD)
Conservation and Environmental Management Division
On behalf of Secretary General
Ministry Of Natural Resources and Environment
As the GEF Operational Focal Point

PART II: Organigram of Project



PART III: Terms of References for key project staff and main sub-contracts

Terms of Reference for National Project Director

The Government shall appoint a National Project Director to be responsible, on behalf of the government, for the project. It is likely that the NPD will be a senior official from the executing agency. The NPD will be supported by the National Coordinator and will work closely with the Project Steering Committee (PSC), Project Management Group (PMG), relevant agencies as well as national experts. The NPD will be responsible for:

- Assuring the Government inputs to the project are forthcoming in a timely and effective manner
- Assuring the project stays in line with national programs, strategies, and objectives and full achievements of the immediate objectives and outputs
- Overseeing project implementation and the timely undertaking of all activities

The NPD shall also:

1. Work closely with the National Coordinator in overseeing the establishment of the Project Support Unit, with systems put in place for sound management of all project subcontracts and financial disbursements.
2. Prepare detailed draft work plan and inception report for all project objectives and identify resource requirements, responsibilities, task outlines, performance evaluation criteria and work plans/schedules.
3. Assume duties as Secretary to the PSC and PMG.
4. Coordinate national and international experts and advise on planned training and workshops.
5. Submit, as required, Annual Project Report (APR) to tripartite (TPR) review meetings.
6. **Approve detailed terms of reference and qualifications for each subcontract.**
7. Direct and supervise the establishment of project administration procedures for all staff, subcontractors, and participating agencies.
8. Approve quarterly status and financial reports for comment and approval of the Project Steering Committee.
9. Approve budget revisions and requests as and when required for approval of the Project Steering Committee.

Duration:

1. 18 months

Terms of Reference for National Coordinator

Scope of the assignment

1. The National Coordinator will manage the project on a day-to-day basis and is accountable to the PMG for the planning, management, quality, timeliness and effectiveness of the activities carried out, as well as for the use of funds. The National Coordinator will ensure the regular monitoring and feedback from activities already under implementation.
2. The National Coordinator will work closely with the PMG, UNDP and the PSC.

Duties and Responsibilities

1. The National Coordinator will have the following duties:
 - Prepare a detailed work plan, monitoring plan and budget;
 - Assist in organising meetings for PSC and PMG;
 - Prepare regular progress and financial reports for submission to PSC and UNDP CO;
 - Coordinate and oversee the preparation of the outputs of the NCSA;
 - Ensure effective communication and adequate information flow with the relevant authorities, institutions and government agencies in close collaboration with the PSC;
 - Ensure appropriate stakeholder participation in the project implementation and coordinate the work of all stakeholders under the guidance of the PMG/PSC and in consultation with the UNDP CO;
 - Maintain and establish additional links with other related national and international programs and projects;
 - **Prepare the Terms of Reference for consultants and experts and ensure their timely hiring;**
 - Provide guidance to the consultants and experts and oversee compliance with agreed work plan;
 - Identify training needs for other project stakeholders;
 - Organize and coordinate the procurement of services and goods under the project;
 - Coordinate, manage and monitor the implementation of the project assignments undertaken by the working groups, local experts, consultants, sub-contractors and co-operating partners;
 - Assume overall responsibility for the proper handling of logistics related to all project workshops and events;
 - Manage the Project finance, oversee overall resource allocation and where relevant submit proposals for budget revisions with the help of the UNDP CO;
 - Overseeing the production and endorsement of detailed work plan, produced inception, stocktaking, thematic assessment, cross-cutting assessment, NCSA Report and Action Plans;
 - Produce draft and final NCSA report for approval by PSC; and
 - Undertake other duties as directed by the PMG.

Duration

1. 18 months

Qualifications

1. MSc. in environmental science, agriculture, conservation, biodiversity or related fields;
2. Minimum of 10 years experience in the relevant field;
3. Good working knowledge of and demonstrated ability in project management;
4. Good inter-personal relationships; and
5. Proficient in both written and oral English and Bahasa Malaysia.

Duty Station

1. Kuala Lumpur

Terms of Reference for Assistant National Coordinator

Duties and Responsibilities

1. The Assistant National Coordinator shall report directly to the National Coordinator and shall be responsible for:
 - Providing administrative and logistic support to the project team;
 - Managing schedules and project implementation within specified project constraints;
 - Undertaking secretariat services to specific project activities;
 - Providing limited backup support to the team;
 - Providing financial and limited backup support to the project team;
 - Executing financial and budgetary tasks and related activities

Duration

1. 18 months

Qualifications

1. Minimum qualification is a tertiary education in secretarial science degree/diploma or related professional qualifications with at least 3 years experience;
2. Experienced in project management and financial management;
3. Familiarity with major computer software packages (word processing, spreadsheets, accounting software and electronic mail and the Internet) is essential;
4. Proficient in both written and oral English and Bahasa Malaysia; and
5. Prior experience in UNDP procedures and practices would be a major asset.

Duty Station

1. Kuala Lumpur

Terms of Reference for National Consultants

Scope of the assignment

An important part of this project is the recruitment of consultants with expertise in self-assessment to assist the carrying out of the following tasks, but it is noted that specific ToRs will be prepared for each consultant based on the specific needs of the project. The Terms of Reference for the National Consultants will be prepared by the project prior to the Inception Workshop and based on guidance from the executing agency, UNDP CO and UNDP/GEF.

- Provide training and mentoring for self-assessment counterparts as identified by the stakeholders.
- Develop self-assessment methodology and assist the conduct of self-assessments by the stakeholders.
- Document the self-assessment process noting successes, constraints and especially lessons learned.
- Assist the conduct of self-assessment workshops by the stakeholders as required.
- Provide technical assistance as required to local counterparts and other staff in carrying out their work relating to self-assessments.
- Preparation and production of NCSA awareness raising materials.
- Assist the conduct of workshops and meetings for the purpose of promoting the self-assessment as a management tool.
- Assist the National Coordinator in the organization and conduct of NCSA meetings and workshops.
- Review reports by other programmes and provide comments to the National Coordinator.
- Assist the National Coordinator to develop a capacity building database based on available information from past and ongoing activities.

Qualifications

- An advanced degree in a field of relevance to the objectives of the project;
- At least five years of working experience in capacity building, institutional strengthening, self-assessments or other relevant fields;
- A good understanding of environment and conservation issues in Malaysia;
- Good understanding of the CBD, UNFCCC and the UNCCD;
- Good communication and reporting skills; and
- Some understanding of local institutions and stakeholders.

SIGNATURE PAGE

Country: Malaysia

UNDAF Outcome(s)/Indicator(s):
(Link to UNDAF outcome., If no UNDAF, leave blank)

Expected Outcome(s)/Indicator (s):
(CP outcomes linked t the SRF/MYFF goal and service line)

Environmental and energy sustainability objectives integrated in macroeconomic and sector policies

Expected Output(s)/Indicator(s):
(CP outcomes linked t the SRF/MYFF goal and service line)

Goal 3: Energy and Environment for Sustainable Development
SL3.1-Frameworks and strategies for sustainable development

Implementing partner:
(designated institution/Executing agency)

Ministry of Natural Resources and Environment (NRE)

Other Partners:

Programme Period: 2006 – 2007
Programme Component: MYFF Goal 3
Project Title National Capacity Needs Self-Assessment for Global Environmental Management (NCSA)
Project ID: PIMS 2625
Project Duration: 18 months
Management Arrangement: NEX

Total budget: **USD 270,000**
Allocated resources:
• GEF USD 170,000
• Govt. of Malaysia (In-kind) USD 100,000

Agreed by (Government): _____

Agreed by (Implementing partner/Executing agency): _____

Agreed by (UNDP): _____

Notes:

UNDAF Outcome and Indicator(s)

The signature page details the UNDAF outcome(s) as well as the Outcome(s) and Output(s) related to the project. If the UNDAF lists outcomes, they should be included in the signature page. When UNDAF outcomes are not clearly articulated, country teams may decide to either revisit the UNDAF to clarify the outcomes or leave the field blank.

UNDAF Outcome indicators should be listed here.

Expected Outcome(s) and Indicator(s)

Expected Outcomes are Country Programme (CP) outcomes. They should reflect MYFF/SRF outcomes and ACC sector, which will be in the ERP).

Outcome indicator(s) should be listed here.

Expected Output(s) and Indicator(s)

Expected Outputs are Country Programme outputs. They should reflect MYFF/SRF outputs.

Output indicator(s) should be listed here.

Implementing partner:

Same as designated institution in the simplified project document – name of institution responsible for managing the programme or project (formerly referred to as executing agency). Implementing partners include Government, UN agencies, UNDP (see restrictions in Programming Manual Chapter 6) or NGOs.

Other partners:

Formerly referred to as implementing agencies in the simplified project document—partners that have agreed to carry out activities within a nationally executed project. This would include UNDP when it provides Country Office Support to national execution. Private sector companies and NGOs hired as contractors would generally not be included. The agency (i.e. Government, UN agency) that contracts with the private sector company and/or NGO is the responsible party. ‘Other partners’ can also apply to other execution modalities.

When an NGO contributes to an output, it can be noted along with the responsible party with which it contracts (e.g., UNDP/NGO, Govt/NGO). Consistent with current practice the rationale for selecting an NGO as a contractor, must be documented.

Programme period: Refers to the Country Programme period

Programme component: MYFF Goal

Project title, project code, project duration (self explanatory)

Management arrangement: Indicate NEX, AGEX, NGO Execution, DEX

Budget: Total budget minus the General Management Services Fees

General Management Services Fees: This was formerly COA (Country Office Administrative fee) for cost sharing and UNDP Administrative Fee for Trust Funds.

Total budget: Includes the budget and General Management Services Fees. In-kind contributions can be listed under ‘other’ resources. Unfunded amounts cannot be committed until funds are available.

Signatures:

The Implementing partner is the institution responsible for managing the programme or project. (The institution now commonly referred to as the “executing agency” but will now be referred to as the “implementing partner”)

UNDP is the UNDP Resident Representative.

The Government counterpart is the government coordinating authority.