This action is funded by the European Union

ANNEX 1

of the Commission Implementing Decision on the Annual Action Programme 2015 Part III and 2016 Part II in favour of the Asia region to be financed from the general budget of the European Union

Action Document for SUSTAINABLE USE OF PEATLAND AND HAZE MITIGATION IN ASEAN (SUPA)

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012 in the following sections concerning calls for proposals: 5.3.1

1. Title/basic act/ CRIS number	Sustainable Use of Peatland and Haze Mitigation in ASEAN (SUPA) CRIS number: DCI-ASIE/2015/37718 Financed under Development Cooperation Instrument
2. Zone benefiting from the action/location	Southeast Asia Region (ASEAN) The action shall be carried out at the following location: Geographical areas classified as peatlands in Indonesia, Malaysia, Philippines, Myanmar, Lao PDR, Cambodia, Thailand, and Vietnam Indicative location of the project's team is in Indonesia (Jakarta)
3. Programming document	Multi-annual Regional Indicative Programme for Asia (MIP) 2014-2020
4. Sector of concentration/ thematic area	Sector 1 (support to Asia regional integration) (Sub) Focal Sector 2 for EU-ASEAN cooperation– Climate Change, Environment and Disaster Management (MIP 2014 – 2020)
5. Amounts concerned	Total estimated cost: EUR 24 556 000 Total amount of EU budget contribution: EUR 20 000 000 This action is co-financed in joint co-financing by: • The German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) of EUR 4 000 000; • This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 556 000.
6. Aid modality(ies) and implementation modality(ies)	Project Modality: • Direct management – Grants – Call for Proposal • Indirect Management with Deutsche Gesellschaft für Internationale Zusammenarbeit.(GIZ)

7. DAC code(s)	41020 (Biosphere protection)			
8. Markers (from CRIS DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Main objective**
	Participation development/good governance	☐	☑	☐
	Aid to environment	☐	☐	☑
	Gender equality (including Women In Development)	☐	☑	☐
	Trade Development	☑	☐	☐
	Reproductive, Maternal, New born and child health	☑	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Main objective**
	Biological diversity	☐	☑	☐
	Combat desertification	☑	☐	☐
	Climate change mitigation	☐	☐	☑
	Climate change adaptation	☑	☐	☐
9. GPGC thematic flagships	Climate Change Mitigation Global Climate Change Alliance +			

SUMMARY

The peatland natural ecosystem (made up of water logged decayed biomass) in the Association for South-East Asian Nations (ASEAN) region covers approximately 24.7 million hectares or 56% of global tropical peatlands; and estimated to store 68 billion tons of carbon or approximately 14% of carbon stored in peatlands globally. Human interventions in the past few decades, such as logging, slash and burn, deforestation, drainage for agriculture especially for oil palm plantations, unsustainable land-use change, and the consequent increasing wildfires have turned these carbon-rich peatlands from carbon sinks to gigantic carbon emitters. Such human disturbances have now made peatlands in ASEAN a major greenhouse gas (GHG) contributor to global atmospheric carbon; annual emissions are estimated at about 2 billion tons, approximately 5% of global fossil fuel emissions, or the combined total emissions of Germany, UK and France in 2012.

Since the late 1990's, Southeast Asia has been plagued by large scale uncontrolled land and forest fires occurring mainly in peatlands. This has caused severe trans boundary smoke haze pollution affecting millions of people in terms of health, disruption of transport, huge economic losses, and strained political and diplomatic relations among neighboring countries. Globally this has contributed to huge releases of carbon and widespread loss of the unique and valuable peatland biodiversity and ecosystems.

The ASEAN Member States (AMS) have adopted the ASEAN Agreement on Trans-boundary Haze Pollution (AATHP) to tackle this perennial problem, and have also adopted the ASEAN Peatland Management Strategy 2006-2020 (APMS) to focus attention on the fire prone peatland areas. Indonesia, where large areas of peatlands occur, has finally ratified the

Haze Agreement in 2012.
Over the last four years pilot projects in ASEAN, notably the EU-funded Sustainable Management of Peatland Forests in Southeast Asia Asia project (SEAPeat) and the Global Environment Facility (GEF)-funded ASEAN Peatland Forests Project (APFP), have demonstrated that coordinated multi-country and multi-stakeholders' approaches, combined with appropriate land management practices, can not only reverse the trend of degradation of existing peatlands, but also help rehabilitate previously degraded peatlands.
This programme seeks to support the implementation of the ASEAN Programme on Sustainable Management of Peatland Ecosystems 2014–2020 (APSMPE), endorsed and welcomed by all the ASEAN Leaders at the 24th ASEAN Summit in May 2014. The APSMPE seeks to coordinate a broad group of stakeholders with implementation of a coherent set of on-the-ground-actions, complemented with capacity building, knowledge exchange, resource mobilization and policy dialogue.

The Overall Objective of the SUPA programme is "to promote the sustainable management of peatlands in the ASEAN region through collective actions and to enhance cooperation to support and sustain local livelihoods, reduce the risk of fire and associated haze and contribute to global environmental management."

The Specific Objective of the intervention is "to improve sustainable peatland management to mitigate the adverse impact of climate change in ASEAN, to manage risk of wild fires and reduce trans-boundary smoke haze."

Through this new programme, the EU aims to strategically support ASEAN's efforts to promote sustainable management of its peatlands through collective actions by two mutually reinforcing main components: 1) Governmental approach at both, ASEAN Secretariat (regional) and AMS (national) levels, and 2) Non State Actors (NSA) level, including both, local smallholder farmers as well as large private sector companies (e.g. in oil palm plantations).

The programme also contributes to EU's commitment to address global environmental issues, in particular to support mitigation of carbon emissions from carbon-rich peatland areas, in addition to conservation of the unique peatland ecosystems biodiversity, which hosts highly endangered flora and fauna. The proposed programme is a strategic priority action under Focal Sector 2 "Climate Change, Environment and Disaster Management" of EU-ASEAN cooperation under the MIP 2014-2020. It has strong links with the Global Public Goods and Challenges (GPGC) flagship programmes 2014–2020 within the following two GPGC key targeted areas: 1) Environment and Climate Change and 2) Food and Nutrition Security and Sustainable Agriculture and Fisheries.

1 CONTEXT

1.1 Sector/ Country/ Regional context/ Thematic area

The Association of Southeast Asian Nations (ASEAN), established in 1967 and enlarged successively in the 1980s and 1990s, has currently ten Member States.

The region has a total area of 4.4 million square kilometres and is home to more than 625 million people of diverse ethnic, cultural, linguistic and social backgrounds in 2014. ASEAN's economic performance has continued to outpace the rest of the world with sustained annual economic growth rates of above 5% p.a. since the 1980s. This has brought this region to an estimated Gross Domestic Product (GDP) in 2014 of more than US $2.4 trillion, equal to that of the UK. By 2030, the ASEAN economy is predicted to be the fourth largest single market after the EU, US, and China.

Understanding the potential role of ASEAN in the future and noting the enforcement of the ASEAN Charter in December 2008, ASEAN has established its legal identity as an

international organization and taken a major step in its community-building process. This process has resulted in the current ASEAN Community that is comprised of three pillars, namely, the Political-Security Pillar, the Economic Pillar and the Socio-Cultural Pillar.

The ASEAN Socio-Cultural Community (ASCC), under which climate change and environment are located, has the goal to contribute towards realizing a people centred and socially responsible ASEAN community by forging a common identity and building a caring and sharing society. The ASCC blueprint is a framework for action and is structured into 6 Characteristics and numerous sub-Characteristics and Action Lines, under which there are 339 specific results to be achieved or undertaken through programmes, projects, and/or special activities. Although there are many challenges at the national and regional levels, the midterm review of the ASCC blueprint implementation (2009-2015)[1] is generally positive where about 90% of all Action Lines have been addressed through the implementation of various activities by ASCC sectorial bodies.

1.1.1 Public Policy Assessment and EU Policy Framework

Public Policy Assessment

ASEAN cooperation on the environment has been guided by the "ASEAN Vision 2020", the medium term plans of actions and meetings of the ASEAN Ministers on the Environment. ASEAN Vision 2020 calls for a 'clean and green' ASEAN, with established mechanisms for sustainable development to ensure the protection of the region's environment. During the 9th ASEAN Summit in 2003, the Bali Concord II provided for the establishment of the ASCC, which will intensify cooperation in addressing environmental and climate change related problems. Under the ASCC pillar, AMS will intensify cooperation among others in the fields of environment degradation and trans-boundary pollution, pursuing the active involvement of their citizens from all sectors of society, including youth groups and women.

Recognizing that the ASEAN region is highly vulnerable to adverse effects and impacts of climate change, ASEAN Leaders agreed to create the ASEAN Climate Change Initiative (ACCI) in 2009. The ACCI was envisaged to be a consultative platform to further strengthen the region's capacity both, in terms of better cooperation towards mitigation and adaptation efforts.

ASEAN Environment Ministers had previously endorsed the Regional Haze Action Plan (RHAP) in December 1997, which has three major components: prevention, mitigation and monitoring. Reaffirming their join efforts and commitment, the ASEAN Agreement on Trans-boundary Haze Pollution entered into force in November 2003, which got eventually ratified by Indonesia as the last AMS in 2014. The AATHP laid the ground for a number of other regional initiatives, focusing on trans-boundary haze and peatland management. The ASEAN Peatland Management Initiative (APMI) of 2003, the APMS and the APSMPE were all launched to guide regional and national actions for the improved management of peatlands in the region. The ASEAN Task Force on Peatlands (ATFP) has recently been established to oversee and support sustainable peatland management and to coordinate partners' programmes on peatlands.

EU Policy Framework

To prevent the most severe impacts of climate change, the international community has agreed that global warming should be kept below 2ºC compared to that in pre-industrial times Thus, combating climate change is a strategic priority for the European Union which is working hard

[1] *Mid-Term Review of ASEAN Socio-Cultural Community Blueprint (2009-2015).* The ASEAN Secretariat, Jakarta.

to cut its greenhouse gas emissions substantially while encouraging other nations and regions to do likewise.

The European Commission has set out the EU's vision for the new global climate change agreement due to be adopted at the Conference of Parties (COP) 21 in Paris in December 2015. The Communication, "The Paris Protocol - a blueprint for tackling global climate change beyond 2020" and Europe's energy policy aims to tackle climate change through the transition to a low-carbon, climate-friendly economy. In October 2014, EU leaders agreed a domestic ambitious 2030 greenhouse gas reduction target of at least 40%. For COP 21 the EU is seeking a transparent and dynamic legally binding agreement, containing fair and ambitious commitments from all Parties based on evolving global economic and geopolitical circumstances. Collectively, these commitments − based on scientific evidence − should put the world on track to reduce global emissions by at least 60% below 2010 levels by 2050.

In addition, to further advance this "mainstreaming" process, the EU has agreed that at least 20% of its €960 billion budget for the 2014-2020[2] period should be spent on climate change-related action, including on its external assistance package.

The EU also launched the GPGC programme 2014–2020, which seeks to tackle key economic, social and environmental issues, adopting a cross-cutting approach, at different levels, in five key area such as: Environment and Climate Change; Sustainable Energy; Human, Social and Economic Development; Food and Nutrition Security and Sustainable Agriculture and Fisheries; as well as Migration and Asylum. Under the GPGC programme, several flagship initiatives \are foreseen The EU will develop a set of multi-dimensional flagship programmes, which will address key GPG issues with a view to avoiding fragmentation ensuring high impact and highlighting and expressing EU key interest and policies. The indicative list of flagship initiatives include 1) the Global Climate Change Alliance + (GCCA+) as well as 2) the Climate Change Mitigation: Supporting Low Carbon Development programmes, which are both relevant for this Action.

1.1.2 Stakeholder analysis

Actions undertaken by ASEAN in the past five years in the context of the APFP project and the EU-funded SEAPeat project have allowed the multiple stakeholders involved to realise that working together in enhancing sustainable peatland management is a *sine qua non*. The Delegation fully involved these stakeholders during the design phase through series consultation meetings and project design workshops under the purview of APTF. Stakeholders can now be easily mobilised to form a collective action network to implement the ambitious APSMPE activities with government's support and encouragement. The following are key stakeholders involved in the project:

At regional level: The AMS represented by the relevant line agency responsible for the environment, the ASEAN Secretariat (ASEC) represented by its Environment Division (ASEC ED), the ATFP and the ASEAN Coordinating Centre (ACC) for Trans boundary Haze Pollution Control. The relationship between ASEC and AMS on peatlands management is currently very conducive. ASEC ED has shown persistence, initiative and innovativeness despite its limited human resources and its role is to provide policy guidance, support and steer the ASEAN processes and mechanisms related to the environment for scaling-up interventions. It is also mandated to coordinate and channel regional activities linked to the APMS, which is only one part of ASEC ED portfolio. The ATFP is a coordinating structure that oversees, coordinates and supports partners' programmes on peatlands. The ACC is yet to be established, but with the recent ratification of the AATHP, Indonesia as the designated host of the ACC is expected to ramp up its efforts to establish and operationalize the Centre soon.

[2] Supporting climate action through the EU budget, http://ec.europa.eu/clima/policies/budget/index_en.htm

At National and Sub-National: These include AMS Ministries/Agencies (mainly forestry, agriculture and estate crops) but also local Water Management Units (WMU), Forest Management Units (FMU) and Local Government Units (LGU). Capacity is varied in each respective AMS with well-established structures in peninsular Malaysia; progress and strong new political will in Indonesia, where the largest peatland ecosystems of Southeast Asia are located but where the large scale of the problems require specific attention; strong capacity in Thailand and the Philippines but still limited knowledge and capacity in Cambodia, Laos, Myanmar and Vietnam (the so-called CLMV countries) with Viet Nam as an exception. Singapore has conveyed its interest to contribute for capacity building notably on fire prevention.

Private Sector: Stakeholders from the private sector include big plantation companies as well as smallholders involved on plantations such as on oil palm, pulpwood, rice and various small-scale crops. Besides being the major drivers of the deforestation of peatland, they constitute possibly the most important stakeholders of the programme. In-depth discussions with representative from private sector concluded the paramount importance of structured engagement and cooperation with private sector on sustainable peatland management practices as well as on combating peatland fires. Technical capacities such as proper water table level management and fire prevention are relatively high for big agri-food or pulp and paper conglomerates, including parastatal plantation but their full compliance towards government's regulations remain to be improved. However some of them have recently introduced a more sensitive and environment friendly approach which may guide the work of sustainably managing peatlands at a larger scale. For small farmers, the willingness to follow Best Management Practices (BMP) and regulation are relatively high, even though capacities to implement BMP are low and support is needed, that can possibly be channelled through Farmers' Organisations (FOs).

Non-State Actors: Apart from non-government and no-profit organisations, other actors include community groups, Farmer Organisations (FOs)[3], possibly religious and professional groups, as well as local universities and research institutions. At the community level, stakeholders include village heads, women's and youth groups, as well as individual community members; this includes local indigenous groups.

International Organisations and NGOs: Include United Nation (UN) agencies such as UNEP, IFAD, FAO, etc., EU Member State Agencies (e.g. GIZ) and International NGOs working substantially on Southeast Asian peatlands such as Greenpeace, Wetlands International (WI) and Fauna and Flora International (FFI).

This action is targeting a broad spectrum of target groups, *inter alia*, big plantation companies, small holders, FOs and local communities that are most prone and vulnerable towards the change of peatland landscape due to draining, burning and other unstainable practices.

1.1.3 Priority areas for support/problem analysis

Around the world, peatland ecosystems are degraded and destroyed at a rather large scale. Peat swamp forests in Southeast Asia are logged, drained and often burned; tundra peatlands are affected by global warming and mountain peatlands like in the Himalayas are subject to overgrazing and mining. Contrary to classic rainforests, there seems to be a lack of awareness of the importance and uniqueness of peatlands. While these ecosystems cover only 3% of the Earth's land surface, they contain twice as much carbon as the entire biomass stored in the forests in the world. Carbon that would under normal conditions remain stored for infinite time

[3] Farmers Organisations are very strongly present in some ASEAN Members States and regions.

in the soil and eventually turn into coal is now being released at an alarming rate, causing around 6% of all global carbon dioxide emissions.[4]

In Southeast Asia, most peatlands are naturally covered by peat swamp forests. These wetland forests have developed primarily in the coastal lowland plains in-between major rivers. They cover approximately 24.7 million hectares, or 56% of global tropical peatlands, storing 68 billion tonnes of carbon or approximately 14% of carbon stored in global peatlands, with majority located in Indonesia and Malaysia (both countries have a share of 95% of ASEAN peatlands) as well as in Brunei Darussalam (70% of the country land area). Smaller peatland areas occur in Thailand, Viet Nam as well as in Myanmar, Lao PDR and the Philippines. Peat swamp forests play a critical role in the economy and ecology of the region, providing timber, other forest products and water supply, acting as flood control and providing many other ecosystem services and benefits. They also play a very significant role as repositories of unique and important biodiversity, providing home for over 3,000 plant species and a most fascinating fauna, including the iconic Orang Utan that is under very high threat, other mammals, fish, amphibians, insects and birds, just to mention a few.

Even more importantly, drainage, drying, degradation and burning of peatlands in ASEAN are estimated to lead to emissions of **2 billion tons of CO_2 per year, almost 4% of global fossil fuel emissions[5], or equivalent to total emission from Germany, UK and France in 2012[6].** The annual degradation rate of peatland forests in ASEAN is currently over 2% with an estimated 14 million hectares already degraded; this followed both legal and illegal logging which often involves drainage of the peatlands during the extraction process. Moreover, although most peatland soils (especially those ones deeper than 2 meters) are too poor for agriculture, millions of hectares have been cleared and drained in the region for agriculture and plantation projects, mainly for oil palm, pulpwood, and other crops. In a nutshell, the root causes of peatland degradation lie in the lack of recognition and knowledge of peatland values and characteristics as well as the use of sustainable technology. The expansion of oil palm and paper industries, population growth and the extension of food crops cultivation, combined with weak institutional governance, inadequate sector policies and intensifying droughts linked to global climate change, are all causes for further peatland degradation. Total economic losses in terms of agriculture production, forest destruction, health, transportation, tourism and economic endeavors are estimated to reach more than US$ 10 billion per year in ASEAN.

Nevertheless, research gave evidence that it is possible to reduce peatland degradation, emissions and fire risk by protecting the remaining natural areas and by improving water management in the cultivated and degraded zones, particularly by raising the water levels in peatland drainage systems. Taking into account that some 5 million hectares of peatland are currently used by the oil palm and the pulp and paper industries, and a few additional millions hectares by smallholder farming families, asks for a concerted and well-coordinated approach at different levels to improve the management of peatlands in Southeast Asia. In fact, a multi-stakeholders' approach is required, involving agro- and forest-industry, smallholders and communities, local government and national government, just to mention a few. Currently it is estimated that some nine (9) million hectares of degraded peatlands are under land concession, requiring the concession holders and forestry agencies to work together for workable, practical and sustainable solutions.

Awareness about the importance of peatland areas in the ASEAN region is slowly increasing due to large scale fire and haze incidents that have occurred since the late 1990s. Most

[4] Kaat, A, Wetlands International & Joosten, H, Greifswald University, Fact book for UNFCCC policies on peat carbon emissions, 2009

[5] Hooijer, A., Silvius, M., Wösten, H. and Page, S. 2006. PEAT-CO2, Assessment of CO2 emissions from drained peatlands in SE Asia. Delft Hydraulics report Q3943 (2006)

[6] Annual European Union greenhouse gas inventory 1990-2012 and inventory report 2014. Contribution to EU GHG emissions (excluding LULUCF) from Germany, UK and France in 2012 is 2.01 billion tons.

peatlands areas usually fail to be categorised as protected areas, as they are considered suitable for cultivation. As an example, most peatland areas in Indonesia have been handed over to the private sector as concession for logging, plantation or forest estate. Raising awareness about the importance of peatlands has been achieved in ASEAN, especially due to uncontrolled wildfires and haze incidents that happen regularly every year and become trans-boundary disasters that affect neighbouring ASEAN countries. Following the extensive land and forest fires that burnt 10 million hectares in the ASEAN region in 1997-1998, AMS realised the enormous negative impact of peatland fires not only on the environment, but also in terms of their economic, social and climatic effect. Haze pollution spreads out beyond the jurisdiction of origin country and generates severe health and transport problems. The peatland fires and haze in 1997-1998 affected the health of about half-million people and continues to affect some ASEAN countries and sub-regions at worrying scales. In response to the needs on the ground and recognizing the significant contributions of peatland degradation to climate change, the APMS 2006-2020 was launched. The APMS sets out 25 operational objectives to serve as guidance for AMS and other implementing bodies and collaborating partners.

In order to strengthen the implementation of the APMS, ASEAN Ministers approved the APSMPE in September 2013. This programme links together a broad range of separate actions by AMS to support the implementation of the APMS as well as to establish a regional set of actions to coordinate and support national projects. AMS are then responsible to adopt APMS into their National Action Plan on Peatland as a guideline for implementation at national level. A portfolio of priority projects and activities has been developed at national and regional level with a targeted budget of approximately US$ 250 million. Based on the work done under the APFP and the EU-funded SEApeat projects, the APSMPE embodies practical, realistic and tested solutions to address peatland management at a large-scale over the coming years.

The focus of interventions will be based on the actual distribution of peatlands in the region as well as on the magnitude and complexity of issues on the ground. The ASEAN regional cooperation framework will enable learning and sharing or experiences across borders and countries, setting a conducive and enabling framework for the effective and efficient implementation of the SUPA programme.

The National Action Plans on Peatlands (NAPPs) shall induce gradual structural reform on the management of peatland both at technical and policy level. The APMS and APSMPE clearly work as reference point for designing the NAPPs. EU support to the implementation of the NAPPs will elevate further the opportunity for policy reform at country level for implementing sustainable use of peatland practices.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
National Focal Point (NFP) in key countries have insufficient capacity to carry out implementation at national and local level.	L	Provide capacity building and capacity support such as dedicated staff or capacities to support the NFP at some key countries, to support administration and technical implementation.
Political will to address trans-boundary haze can't be translated to action due to main government agency pursuing sector approaches. Lack of acceptance by local government agencies and/or	M	This risk can be mitigated by a focused regional and in-country drive towards awareness, including international and national organisations, and a strong, high-level policy, and inter-agency

head of district may occur.		meetings and joint monitoring visits/missions. Selection of project site must consider local government commitment and willingness to adopt requirements of sustainable peatland management into land use and development plan. Local government must be involved from the planning process.
Insufficient participation by the pulp and paper, palm oil and logging industry, especially medium and small company. Inadequate capacities of private sector to follow the guideline of sustainable peatland management in timely manner.	M	Under guidance of NAPPs, regulation related to utilization of peatland areas will be developed and implemented. Substance of regulation will align with the guideline of sustainable peatland management. Carry out law enforcement. Involve private sector in multi stakeholder engagement. It is most important to maintain a positive outreach to industry emphasizing the long-term benefit.
Weak cross-sector and vertical coordination within AMS government may reduce effectiveness of program's intervention.	M	Institution that are responsible for peatland areas must be described clearly within NAPP. AMS at national level facilitate cross-sector and vertical coordination in regular basis, at least for peatland-targeted area under the project.
Rising expectations among stakeholders and members.	L	Clear communication to AMS during programme formulation process facilitated by ASEC ED to ensure transparency
Establishing the mechanisms for channelling funds through AMS government budgetary systems using GIZ's "financial contribution modality" may be time consuming, especially in the early stage of the project, or not possible entirely, if audits executed by or on behalf of GIZ find that fiduciary standards may not be met by AMS.	M	Fiduciary safeguards of GIZ apply including: (pre) audits of AMS implementing agencies executed by or on behalf of GIZ. Technical assistance to AMS in preparing realistic budgets and work plans will be provided. If necessary, GIZ can provide technical assistance to AMS for meeting due diligence standards. In case an AMS government system does not meet due diligence standards, GIZ modalities allow for other (non-government) partners to receive funds or for re-allocating funds into other AMS. Disbursement in tranches upon compliance with GIZ rules and regulations in financial reporting (risk reduced to first tranche).
Extreme weather events may disrupt program for peatland management.	L	Prediction and warning system for extreme events and disaster response for peatland to be enhanced.

Assumptions
The project assumptions are: (1) Peatlands sustainable management will remain as high priority issues on ASEAN's and AMS' agenda; (2) There is strong commitment and good cooperation among AMS to support project activities including integrated peatland management to reduce fire and haze; (3) AMS at national and local level are willing to participate in capacity development activities; (4) There is strong support from stakeholders at field level including the private sector, communities and local authorities on institutional and financial support.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Interventions at regional and national levels, supporting implementation of APMS and NAPPs and working both through ASEAN and AMS mechanisms, have proven instrumental in enhancing awareness and in the understanding of peatlands and in mainstreaming peatland issues into governments' planning processes. By improving the capacity of governmental and other stakeholders for peatland identification and inventory, new peatland areas could be discovered in Myanmar, the Philippines, Cambodia, and Lao PDR. Capacity building for peatland management in the region has equally stimulated forward thinking in peatland management amongst stakeholders towards realizing the value of ecosystem services from these areas.

Peatland fires are responsible for 90% of ASEAN trans-boundary haze and are extremely difficult to control. Peatlands' fire prediction and warning systems have helped to change the focus for fire control to fire prevention. However, more efforts need to be put on prevention, i.e. through changes in land and water management. Since most peatland areas are under control of the private sector outside protected areas, a multi-sector and multi-stakeholder approach is key for sustainable peatland management. Engagement with private sector and the empowerment of local communities living inside and around peatland sites is critically important. Innovative approaches to peatlands management and partnership engagement have proven vital for improving stakeholders' involvement and sustainability

Some key lessons on peatland management issues are outlined in the following: (1) The current management of peatlands is generally not sustainable; (2) Strict protection of intact peatlands is critical for the conservation of biodiversity and to maintain their carbon storage and sequestration capacity; (3) Changes in peatland management (such as better water and fire control in drained peatlands) can reduce land degradation and can limit negative impact on biodiversity and climate change; (4) Optimising water management in peatlands (i.e. reducing drainage) is the single highest priority to combat carbon dioxide emissions from peat oxidation; (5) Peatland management should be integrated into land use and socio-economic development planning through a multi-stakeholder approach; (6) Enhancing awareness and capacity are important to tackle the root causes of peatland degradation; (7) Local communities have a very important role as stewards of peatland resources and should be effectively involved; and (8) The emerging carbon market may provide in the future new opportunities for peat swamp forest conservation and restoration and can generate income for local communities. In addition, the Result Oriented Monitoring (ROM) report of the EU-funded SEApeat project of 2013 highlighted that: "*The project addresses climate change in a very cost-effective manner, using an approach that is sensitive to the realities and livelihood needs of local communities, with benefits for regional collaboration and integration, national policy processes and local natural resources conservation*".

3.2 Complementarity, synergy and donor coordination

The German Federal Ministry for the Environment (BMUB), as part of its International Climate Initiative, earmarked bilateral funding of EUR 4 million to co-finance the SUPA programme. This approach generates synergies between EU and EU MS initiatives, thus creating bigger impact and visibility of EU in general. Under the APFP, receiving funding from the Global Environment Fund (GEF) since 2009, the ability and effectiveness of channelling the fund through the existing national budgeting process has been validated. By channelling the funds through national budgeting process, it is expected that governments be committed to allocating complementary national resources to peatland management. The proposed programme will replicate this modality, given that fiduciary due diligence of AMS are in compliance with GIZ rules and regulations.

Under GEF 5, IFAD is currently assisting Indonesia in formulating a new project on sustainable peatland management amounting to US$ 4.8 million, while UNDP is working with Thailand for the preparation of a US$ 3.2 million project. At regional level, IFAD is also preparing a Programme Framework Document (PFD) under GEF 6 (2014-2018) for a portfolio of country and regional activities with a budget of approximately US$ 30 million to support Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines and Vietnam on sustainable peatland management. Coordination takes place between all GEF agencies (including IFAD), ASEAN and development partners, such as the EU, to ensure coherency and complementarity of all planned actions.

The EU is in the process of designing the EUR 10 million Biodiversity Conservation and Management of Protected Areas in ASEAN (BCAMP). The biodiversity database that has been already developed by the ASEAN Centre on Biodiversity (ACB) is a valuable resource for producing biodiversity assessments for peatlands and then enriches the database list of species and their distribution in peatland areas. Intact peatland areas under unprotected status with high conservation value and extremely under high pressure will require immediate action to be conserved. A close cooperation with the BCAMP project is envisaged, notably to improve the protection status of most threatened peatland areas that could be declared ASEAN Heritage Parks (AHP) in the future.

The EU also supports the Mekong River Commission (MRC) to boost its efforts in responding to the region’s climate change challenges with a EUR 4.95 million project under the GCCA) EU funding supports the Climate Change Adaptation Initiative (CCAI) and linkages could be pursued, including for more sustainable management of peatlands in the Mekong River delta.

Collaboration with the new ASEAN Farmers Organisations Support Programme (AFOSP) 2015-2019 is also foreseen, notably to work at a large scale in replicating best agriculture practices with smallholder farmers cultivating peatland areas.

Synergies and complementarities should be also further realized with EU's Regional Capacities for Reporting on the Mitigation Actions of the Forest Sector (ReCaREDD), implemented by the Joint Research Centre (JRC) in Ispra, which is operating particularly in CLMV countries. The Delegation has established contact with the JRC to facilitate the acquisition of remote sensing data, to look into possibilities of technology transfer (e.g. image processing, GIS) as well as capacity building and training to better identify and inventorize peatlands in the Lower Mekong River basin.

In addition, complementarities and synergies with EU-funded Forest Law Enforcement Governance and Trade (FLEGT) programmes at national and regional level, including through the FLEGT Facility, will be envisaged.

Last but not least, cooperation with the REDD (+) Facility and programmes in AMS, such as support to REDD+ in Indonesia and support to REDD in Malaysia, will be pursued.

Other international donors, such as Germany, the Netherlands, UK, Norway, USA and UN agencies have environmental, climate-related or sustainable palm oil related programmes in Indonesia, with which the SUPA programme shall coordinate its activities as well.

Future EU funded ASEAN programmes under the Focal Sector Climate Change, Environment and Disaster Management (e.g. on environmental education) will be designed in a way to support in the mainstreaming of biodiversity conservation and sustainable peatland management into national curricula, which is expected to have long-term positive effects on the environment.

Given the number of initiatives at ASEAN and AMS levels, donor coordination will be essential. As mentioned earlier, the ATFP has recently been established to oversee and support sustainable peatland management and to coordinate more effectively partners' programmes on peatlands. The EU supports this internal (with AMS) and external (with Development Partners) coordination mechanism, which has already been proven effective for the implementation of the APFP (GEF-4) and SEAPeat projects'. Projects and programmes related to peatland management of EU MS, other Development Partners and their Southeast Asian counterparts will be invited in annual coordination meetings steered by the ASEC ED to report and discuss on progress made, on challenges faced and on possible synergies to realize.

3.3 Cross-cutting issues

Addressing crosscutting issues is integrated into the design of the project.

Gender and Youth: Field interventions will be based at local community level, notably with participation of indigenous groups and family farmers. Local smallholders will need support to build their own capacities in developing sustainable peatland management approaches and practices. Capacity building and training foreseen will include among others knowledge transfer, probably seed funding for pilot actions and support to market access for local commodities. Women in local communities are the most vulnerable group when natural resources are being degraded and/or more difficult to access, thus impacting livelihoods and quality of life for the entire family. Sustainable peatland management will thus provide capacity building initiatives, specifically for women and youth groups by maintaining the access to resources as well as by creating sustainable jobs at medium-term. The health of very young and elderly people shall also be improved by fire and haze mitigation actions.

Good Governance: Poor local governance and widespread corruption are major obstacles to achieving development outcomes in sustainable peatland management. Good governance practices will be indispensable and should become an integral part of the programme. Transparency and accountability in land-use planning and the issuing of land titles will be promoted at all levels of intervention, which will include also the participation of major stakeholders such as large plantation companies.

Climate Change: Sustainable peatland management and the preservation/conservation of peatland forests and wetlands will have a positive impact on both, adaptation and mitigation of climate change, while maintaining the quality of ecosystem services. Improved and sustainable peatland management and fire prevention will also contribute to reduce GHG emissions from both fire and soil decomposition.

Environmental issues: The proposed intervention is focused on improving environmental management, notably land, water and fire management. The intervention will promote low-impact sustainable livelihood options to reduce risk of pollution of air and water resources. The better conservation of remaining tropical peatland forests that provide habitat to orang-utans and other unique flora and fauna, including numerous endangered and highly endangered species, shall further contribute to biodiversity conservation as Southeast Asia.

Human Rights: Focus will also be given to the rights and empowerment of indigenous people living in peatland areas. Focus shall be on advocacy, education as well as on granting or withhold their Free, Prior and Informed Consent (FPIC) to the utilization of land to which they hold legal, communal or customary rights. Respective activities are embedded in component 2 of the proposed programme.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The **Overall Objective** of the APMS 2006-2020 is: "To promote sustainable management of peatlands in the ASEAN region through collective actions and enhanced cooperation to support and sustain local livelihoods, reduce the risk of fire and associated haze and contribute to global environmental management."

The **Specific Objective** of the intervention is: "To improve sustainable peatland management, mitigate the adverse impact of climate change, manage the risk of wild fires and reduce trans-boundary regional haze in ASEAN."

The programme consists of two components, both contributing to the achievement of the specific objective of the project from two different approaches: governmental as well as non-state actors led activities.

Component 1: Strengthen ASEC and AMS to implement APMS and NAPPs through capacity building and institutional framework along with selected tangible demonstration activities on the ground, including strengthening regional co-operation through provision of technical and material support to regional institutions on sustainable peatland management (Peatland Governance).

Component 2: Improve Non-State Actor (NSA) participation to strengthen community's organisation and capacity on sustainable management and use of peatlands. (NSA Participation).

The expected four results of the abovementioned components are as follows:

(i) **Result 1:** APSMPE, APMS and NAPPs gradually implemented at local, national and regional level through enhanced capacity and identification of ASEAN peatland areas characterized by their degradation rate and their potential for rehabilitation and conservation.

(ii) **Result 2:** Significantly reduced peatland fires and associated haze through fire prevention and peatland rehabilitation.

(iii) **Result 3:** Integrated management of targeted peatlands to maintain ecological functions and biodiversity and reduce GHG emissions.

(iv) **Result 4:** Peatlands are sustainably managed to enhance livelihood and maintain economic value.

4.2 Main activities[7]

Result 1: APSMPE, APMS and NAPPs gradually implemented at local, national and regional level through enhanced capacity and identification of ASEAN peatland areas characterized by their degradation rate and their potential for rehabilitation and conservation.

- Strengthen the capacity of AMS, ASEC and ATFP to oversee and guide implementation of the APMS/APSMPE; development and approval of APMS for 2020-2030.
- Finalize NAPPs for all AMS (those not yet approved) and fully implement them (in targeted areas).

[7] Activities in italic are to be delivered under Component 2

- Enhance capacity for peatland management and sustain it through ASEAN Regional Knowledge Network on Peatlands (initially virtual), based on National Centers of Excellence of Peatlands in each AMS.
- Inventorize and map significant number of peatland areas in each AMS with identified priorities for rehabilitation, conservation and degradation risk reduction.
- Mainstream APSMPE into the work of ASEAN bodies and mechanisms i.e. ACB, ASEAN Specialized Meteorological Centre (ASMC), ACC, Malaysia Meteorological Department (MMD), AHP.
- Coordinate, monitor & evaluate effectively the programme at national (AMS) and regional (ASEC) level.
- Establish and operate regional coordination mechanisms, such as the ASEC Program Support Unit.
- Undertake Regional activities, meetings, coordination, consolidated reporting, public awareness etc.
- Conduct regional or region-wide research and studies such as carbon monitoring, emissions, financing options, etc.
- Improve access to and effective use of satellite imagery – preferably products of the European Space Agency (ESA) – for peatland fire prevention and monitoring.
- Conduct structured policy dialogue between EU, ASEAN and AMS on sustainable peatland management at ASOEN level (ASEAN Senior Officials on the Environment*). Develop capacity and partnerships for multiple stakeholders – Civil Society Organizations (CSOs), academic, private sector – to participate actively in implementing the APSMPE.*
- *Mobilize and consolidate private sector contribution to the Regional Knowledge Network and National Centers of Excellence on peatlands.*
- *Enhance capacity of NSA for peatland assessment and monitoring and identify and document further peatlands, especially in CLMV.*

Result 2: Significantly reduced peatland fires and associated haze through fire prevention and peatland rehabilitation.

- Strengthen effectiveness of peatland fire prediction, warning and monitoring (including: Fire Danger Rating System (FDRS), Hotspot monitoring etc.), at regional and national levels.
- Stimulate proactive peatland fire prevention and peatland rehabilitation measures through enhanced incentives, institutional reforms and preparation of fire prevention and peatland rehabilitation plans.
- Implement effective fire prevention mechanisms through multi-stakeholder engagement and peatland rehabilitation (including systematic canal blocking, re-vegetation, etc.) at targeted sites in priority countries.
- Provide assistance to the establishment of an ACC in Indonesia.
- *Mobilize public and private stakeholders to prevent peatland fires and haze.*
- *Enhance and establish community based fire prevention at targeted sites, through series of training, capacity building and provision of equipment.*
- *Implement best management practices for alternative peatland development and management approaches to avoid fire, such as sorjan farming, preparing land without fire, proper water management, peatland native species farming, and green contract farming.*

Result 3: Integrated management of targeted peatlands to maintain ecological functions and biodiversity and reduce GHG emissions [8].

- Establish a network of sustainably managed peatlands in ASEAN, relevant information is available at the website which is regularly maintained and updated.
- Strengthen policies and regulations for peatland protection, zoning and management planning by providing training and awareness raising for decision makers and officials.
- Develop and implement integrated management plans for identified large peatlands areas by providing training on sustainable peatland management to local authorities and relevant stakeholders; development of integrated management plans facilitated by national government and duly supported by the project.
- Monitor the status and trends of peatland emissions and biodiversity conservation in selected peatland sites through assessments.
- *Record of best practices on community engagement in peatland protection and management, exchange of visits (cross learning exercises), workshop and knowledge sharing.*
- *Facilitate community and other stakeholder's engagement to participate in conservation and management of targeted peatland areas*.

Result 4: Peatlands are sustainably managed to enhance livelihood and maintain economic value [9].

- Organize workshops and meetings to develop and implement ASEAN Guidelines on the Sustainable Utilization of Peatland Ecosystems through the engagement of multiple stakeholders.
- Promote, conduct awareness raising and develop policy papers to secure peatland management requirements mainstreamed into land use planning and general development planning by AMS.
- Conduct studies and establish incentive and enabling mechanisms for sustainable peatland management including land use rights, micro finance, access to technical support, etc.
- *Compile Best Management Practices of sustainable manageable peatland at all level (oil palm plantations, small holders, pulp and paper plantations and other agriculture).*
- *Develop appropriate Best Management Practices (BMP) for oil palm on peat soils for smallholders.*
- *Develop guidelines and demonstration sites for implementation of BMP on pulp and paper (forest) plantations and agriculture on peat in partnership with the private sector and local communities.*
- *Promote Roundtable on Sustainable Palm Oil (RSPO) Best Management Practices for existing oil palm plantations on peat, advocating the best practices to be fully implemented by the plantation sector country and region-wide.*
- *Promote viable models for community livelihood in forested and rewetted peatlands to be demonstrated/implemented (including community forestry, jelutong, illepe nut, fisheries, and ecotourism).*

4.3 Intervention logic

Component 1: Strengthen ASEC and AMS to implement APMS and NAPPs through capacity building and institutional framework along with selected tangible demonstration activities on the ground, including strengthening regional co-operation through provision of technical and

[8] Integrated management of peatland is targeting all the peatland landscape including non-productive, non-utilized and protected areas.
[9] Sustainable managed peatland is the areas of peatland that are utilized for productive use including for plantation and farming.

material support to regional institutions on sustainable peatland management (Peatland Governance).

This component will strengthen regional peatland management under the guidance of APMS and APSMPE through strengthening capacity of AMS in the establishment and the implementation of NAPPs. The primary focus of this component is to support activities that can benefit all AMS to develop their institutional framework and capacity to ensure sustainable peatland management at regional and country levels.

Component 1 will focus on strengthening the role of the government at national and sub-national levels, and exercising good-governance approach for peatland management. Under guidance of the NAPPs, government will actively control and implement peatland identification & inventory, peatland fire prevention, integrated peatland management and sustainable use of peatland to the benefit of community livelihoods and private sector development. The implementing agency will establish the mechanisms for channelling funds through AMS government budgetary systems using its financial contribution modality.

At the regional level, component 1 will focus on providing support for ASEC ED in the implementation of APMS through the coordination of the programme at regional level, as well as to strengthen AMS initiative in the establishment of an ACC. Provisions will be made to support ASEC ED in coordinating the regional program. Partnership with other relevant ASEAN bodies will be facilitated to gain better impact.

Component 2: Improve Non-State Actor (NSA) participation to strengthen community's organisation and capacity on sustainable management and use of peatlands. (NSA Participation).

This component involves a bottom-up approach, aiming at encouraging the participation of NSA, including NGOs, academia and local communities, on sustainable peatland management under the guidance of APMS and NAPPs. Component 2 will contribute to the achievement of all results.

In coordination with governments, NSA will participate in peatland assessment, fire prevention, integrated land management and community livelihood development. NSAs are the key players in promoting sustainable use of peatland locally. Experiences in developing guidelines for the sustainable use of peatlands, promoting, advocacy and campaign are a valuable asset to encourage local communities and the private sector in implementing sustainable peatland management at large scale.

5. IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the ASEAN Secretariat, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement between EU and ASEAN.

Extensions of the implementation period may be agreed by the Commission's authorizing officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Grant: call for proposals "Non-state actor participation on sustainable management and use of peatland" (direct management)

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results.

The objective of the grant is "*To improve Non-State Actor (NSA) participation to strengthen community's organisation and capacity on sustainable management and use of peatlands (NSA Participation).*" It is expected that this grant will contribute effectively to the enhancement of NSA participation and to the achievement of the following results (in conjunction with **Component 1**):

- APSMPE, APMS and NAPPs are implemented at local, national and regional level through enhanced capacity and identification of ASEAN peatland areas, which are characterized by their degradation rate and their potential for rehabilitation and/or conservation.
- Peatland fires and associated haze are significantly reduced through fire prevention and peatland rehabilitation.
- Integrated management of targeted peatlands is secured to maintain ecological functions and biodiversity and reduce greenhouse gas emissions.
- Peatlands are sustainably managed to enhance livelihood and maintain economic value.

(b) Eligibility conditions

In order to be eligible for a grant, the applicant must:

- Be a legal person and
- Be non-profit-making and
- Non-governmental organizations, public sector operator, local authority, international (inter-governmental) organization as defined by Article 43 of the Implementing Rules to the EC Financial Regulation[10]
- Be established[11] in a member state of the European Union or in a member state of the ASEAN region and
- Be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary and
- Be experienced with implementation of programs in ASEAN region.
- Be experienced in the field of peatland, forestry, community livelihood and conservation.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 5 000 000 and the grant may be awarded to sole beneficiary and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 48 months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

10 International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies are also recognised as international organisations.

11 To be determined on the basis of the organisation's statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a 'Memorandum of Understanding' has been concluded.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 90%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorizing officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call: 2nd trimester of 2016.

(f) Exception to the non-retroactivity of costs: N/A

5.3.2 Indirect Management with GIZ

Part of this action may be implemented in indirect management with GIZ in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails all activities under **Component 1:** Strengthen ASEC and AMS to implement APMS and NAPPs through capacity building and institutional framework along with selected tangible demonstration activities on the ground, including strengthening regional co-operation through provision of technical and material support to regional institutions on sustainable peatland management (Peatland Governance).

This implementation is justified because GIZ is a specialized bilateral agency with a strong track record of successfully implemented regional and bilateral projects in the ASEAN region in environmental resources management and climate change. GIZ modalities include technical assistance and capacity building.. Formal cooperation mechanisms exist between GIZ and ASEAN/ASEC.

The entrusted entity would carry out the following budget-implementation tasks: definition of eligibility, selection and award criteria; launching and evaluation of calls for tenders and calls for proposals; award of grants and contracts; acting as a contracting authority concluding and managing contracts, carrying out payments, recovering moneys due.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

5.5 Indicative budget

Module	EU contribution (amount in EUR)	Indicative third party contribution in currency identified
5.3.1. – Call for proposals (direct management)	5 000 000	EUR 556 000
5.3.3. – Delegation agreement with GIZ	14 600 000	EUR 4 000 000
5.8. & 5.9. – Evaluation and audit	200 000	N.A.

5.10. – Communication and visibility	200 000	N.A.
Contingencies	0	N.A.
Totals	20 000 000	4 556 000

5.6 Organizational set-up and responsibilities

The EU Delegation, the ASEC and BMUB will set up a regional Project Steering Committee (PSC) and act collectively as Co-Chair. This PSC will (i) provide strategic and policy guidance on project implementation, (ii) review and endorse annual work plans, (iii) monitor project outputs and achievements, (iv) address obstacles and challenges identified in the project implementation. It will include representatives from the AMS, the NSA entity implementing the Component 2, research institutions and experts as well as relevant international organizations.

In terms of legal and policy framework, the project reports to the Conference of Parties to the ASEAN Haze Agreement (Ministers of Environment), which coordinates activities through national level committees and specialised agencies. Below ministerial level is the APTF that coordinates and monitors the implementation of all actions implemented related to peatlands. The EU will be involved in the oversight and monitoring of implementation together with the APTF.

The ASEC is in charge for overall coordination and AMSs through dedicated existing or new national PSC, are responsible for implementation at country level, including the oversight of the NSA component; the EU will be involved in sector policy dialogue at national PSCs when and if required.

Policy dialogue between EU and ASEAN in the area of sustainable peatland management and haze mitigation will take place at the different levels explained above; first at technical level under the national PSC, secondly under the regional PSC meeting, then a third time at APTF level. Policy issues that require specific attention and consideration will be elevated to the ASOEN (ASEAN Senior Officials on the Environment) or to COP (i.e. Ministers).

5.7 Performance monitoring and reporting

Strategic oversight and coordination will be conducted by the ATFP with the support of ASEC. The result of the monitoring will be tabled-out at APTF meeting. The day-to-day technical and financial monitoring of the implementation of this action and project resulting from a call for proposals will be a continuous process and part of the implementing partner's responsibilities. ASEAN has also developed its own monitoring system (progress of project activities) and scorecard impact indicators (achievements) for its programs and activities and this will also be used to monitor the project. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the nature of the action, mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission. A mid-term evaluation will be carried out for problem solving, in particular with respect to continuing the implementation of project that might require adjustment due to progress in the field. A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the project aims to mitigate the adverse impact of climate change, manage the risk of wild fires and reduce trans-boundary regional haze.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyze the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, two contracts for evaluation services shall be concluded under a framework contract in 3rd trimester of 2017 and 3rd trimester of 2019.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.
Indicatively, one contract for audit services shall be concluded under a framework contract in 2018.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Communication and visibility actions will be undertaken by a service provider selected by the Commission through a tender process.

Indicatively, one contract for communication and visibility shall be concluded under a framework contract in 3rd trimester of 2016.

6 PRE-CONDITIONS

N/A