

Seventh Session of the Assembly
26-27 October 2022, Almaty (hybrid)

Agenda Item 7.1

Approval of New Projects

I. Status of Project Concept Notes and Proposals in 2022

1. Upon conclusion of the 5th Session of the Assembly, a total of nine (9) concept notes from Cambodia (KH), Indonesia (ID), Kazakhstan (KZ), Mongolia (MN), Philippines (PH), Thailand (TH), and Viet Nam (VN) were received and reviewed by the Secretariat, from which three (3) advanced to the development of full project proposals (PP-2021-KH-001, PP-2021-MN-001, and PP-2021-PH-001) which were correspondingly submitted to the Secretariat.

II. Appraisal Process of Project

2. Thereafter, the Secretariat organized the Project Appraisal Panel (PAP) consisting of three (3) experts from the expert pool as appointed by the Executive Director of the Secretariat to review each project proposal submitted. Based on the results of the first review (31 December 2021 for PP-2021-KH-001, 03 January 2022 for PP-2021-MN-001, and on 23 February 2022 for PP-2021-PH-001), revisions were required to all of the three (3) project proposals to consider and incorporate the comments and recommendations of the PAP members. The re-appraisal process followed and was completed on 21 February 2022 and 10 October 2022, of which all of the three (3) project proposals satisfied the evaluation criteria and were recommended to proceed to the next and final appraisal stage. The table of appraisal results is provided in **Annex 1**.

3. As authorized by the Assembly (Decision 30-III-19R), the Project Appraisal Committee (PAC) was organized and had its meetings on 28 March 2022 and 13 October 2022 to deliver final decision on the project proposals. The PAC Meeting endorsed the three (3) projects (PP-2021-KH-001, PP-2021-MN-001, and PP-2021-PH-001) to proceed with the funding process, subject to further revision/enhancement reflecting consolidated comments and recommendations of the PAP and PAC.

4. The three (3) project proposals (PP-2021-KH-001, PP-2021-MN-001, and PP-2021-PH-001) are being submitted for the approval by the Assembly subject to confirmation of the Korea Forest Service on financial commitments to support the implementation of respective projects activities. The profile summary of project is provided in **Annex 2**.

Proponent (Registration No.)	Project Title	Project Duration (year)	Budget (USD)		
			AFoCO	National	Others
PP- 2021- KH-001	Advancing Restoration of native Agarwood – <i>Aquilaria crassna</i> and <i>A.Malaccensis</i> – for Sustainable Use and Management in Southwestern Cambodia	2023-2025	KRW 743,820,240 (equivalent to USD 658,248)	KRW 53,697,600 (equivalent to USD 47,520) (in-kind)	-
PP- 2021- MN-001	Forest restoration demonstration through high capacity tree nursery and capacity building in support to “1 Billion Tree” campaign in Mongolia	2023-2025	KRW 1,129,611,280 (equivalent to USD 999,656)	-	-
PP- 2021- PH-001	Forest Restoration using Philippine Threatened and Endemic Tree Species (PTE S) in Bacon-Manito (BACMAN) Geothermal Reservation in Support to the Philippines’ Forestry Sector’s National Greening Program	2023-2025	KRW 330,683,200 (equivalent to USD 292,640)	KRW 8,924,740 (equivalent to USD 7,898, in- cash) KRW 14,464,000 (equivalent to USD 12,800, in- kind) from FMB	KRW 49,946,000 (equivalent to USD 44,200, in-cash) KRW 218,560,080 (equivalent to USD 193,416, in- kind) from Energy Development Corporation (EDC)

*Exchange Rate: USD 1 = KRW 1,130

III. Points for consideration

5. The Assembly may wish to:
- Consider the recommendations of the respective PAP and PAC;
 - Approve the above-cited project proposals; and
 - Task the Secretariat to facilitate the necessary follow-up actions for project inception in due course.

Annex 1. Overview of Project Appraisal Results

Annex 2. Summary of Project Proposals

Overview of Project Appraisal Results

PROJECT CODE	Project Appraisal Panel (PAP)	1 st Appraisal Grade (Score)	1 st Appraisal PAP's Comments	1 st Appraisal Result	2 nd Appraisal Grade (Score)	2 nd Appraisal PAP's Comments	2 nd Appraisal Result
PP-2021-KH-001 : Advancing Restoration of native Agarwood – <i>Aquilaria crassna</i> and <i>A.Malaccensis</i> – for Sustainable Use and Management in Southwestern Cambodia	Member 1	A (93) [12.01.2022]	- Lack of information of cost estimation in the origin country	B	A (100) [08.02.2022]	- No further comments	A
	Member 2	B (78) [06.01.2022]	- The proposal should provide clear justification of local community participation program which is needed; - Agarwood seed collection will be critical issue to guarantee high germination and survival rate. It is important to provide information about seed collection methods (from Plus tree or any other methods); - Please describe how to produce and how to plant the 50,000 Agarwood seedlings in the potential area for the restoration. Technical process will be important to have high survival rate in the site.		A (86) [10.02.2022]	- No further comments	
	Member 3	B (69) [10.01.2022]	- The problem description was not adequately supported by figures/data to substantiate the claims of near extinction (drastic decrease in wild populations), decreased economic benefits to communities; In the absence of these information, the problem description simply become motherhood/vague statements; - The information from extraction companies, e.g. Lya Agarya on wood chip demand and supply should be specified to manifest the clear shortage; there should be definite comparisons of native vs non-native Agarwood species in terms of plantation performance, oil quality and yields; - The identified objectives do not clearly match with the listed outputs; the goal has some overlap with the first outcome (Former ecological systems of the project target sites will be brought back for sustainable CF management); Subsequently, when the outcomes are compared with the objectives, there is a misalignment; in fact for the outcome there seem to be no clear distinction between the national demonstration sites and the pilot plantation in 4 target provincial sites; there is a need to revise the outcomes, objectives and the corresponding outputs as these overlaps appear in the succeeding lists of objectives, outputs and activities; - Revise activities and outputs based on the preceding comment; for example, it was described in the document several times regarding the problem of the science of restoration for Agarwood, but the activities appear nebulous on how this will be accomplished; does		B (80) [11.02.2022]	- Core problem was not properly articulated - There seems to be a disjoint between the objectives with its the attendant problems and the outputs listed - Need to revise the activities and outputs to focus on the identified factors that contribute to losses in agarwood - The points raised in (a) and (b) would require re-alignment of the OVI - The proposal indicated that the ineffective management of Agarwood in the wild has been caused by three main factors: weak law enforcement, lack of government funding in protection and conservation efforts, and lack of data on the wild Agarwood status. If these are three main factors: the objectives of the project do not reflect solving these the two	

		<p>the science for agarwood restoration exists and will be made available to training participants?</p> <ul style="list-style-type: none"> - The OVI needs to be aligned with the revisions indicated in the two preceding comments (e.g. the activity – Conduct surveys on the abundance of the native Agarwood species in each of the four target provincial sites – would not be adequately verified by merely listing the participants and having minutes of the workshop – the result of a reliable survey – data generated from the survey should be the best way of verifying the data; - The proposal is attuned to the relevant policies cited; it would be strengthened if other policies like those related to the national biodiversity strategic and action plans; climate change action plans; - The proposal aligns with the national programs cited; it could be strengthened if it could be aligned with other national programs on biodiversity conservation and climate change; - The proposal aligns with the national programs cited; it could be strengthened if it could be aligned with other national programs on biodiversity conservation and climate change; - Consider reduction of cost of some items in the indirect cost; - In the stakeholder analysis, the CF members were not clearly identified/listed but vaguely described as those living close to and managing the Community Forestry areas; a baseline information about the income should be cited as basis for future evaluation considering that the objective indicated the improvement in livelihood of the beneficiaries; the private plantation owners' problem on plantation development is unclear, considering these are private entities, they should have ensure the availability of available technologies/practices before embarking on this business venture, thus clarifying what is/are their plantation problems should be made; it is unclear if the NGOs in place have the technical capabilities for restoration works with Agarwood as their identified task is in the technical consultation for planning, seed collection, enrichment planting, etc.; will the project develop new technologies in oil extraction, as indicated in the stakeholder analysis for oil extraction companies; - In the Problem Tree – the main effect (top box) is almost similar to the core problem (second top box) specifically on the losses of wild native agarwood species and the so-called threat of extinction; in fact, even the third box – drastic decrease of wild agar populations the previous boxes are almost synonymous; the root causes: Nonregistered private Agarwood plantations and Nonregistered importation of non-native Agarwood species were unclear; - In the logical framework section, the activities (16 ha?) do not add up to 28 ha described in the Justification section; still in the justification section, the perceived impacts were not categorized into 			<p>factors, namely: weak law enforcement, lack of government funding in protection and conservation efforts; Only the third objective: lack of data on the wild Agarwood status – would the activities of the project appear to be addressed. So how will the two other factors cited be addressed: weak law enforcement, lack of government funding in protection and conservation efforts? In other words, solutions to the weak law enforcement and lack of government funding do not seem to be adequately discussed in the proposal</p> <ul style="list-style-type: none"> - In fact the objectives and activities for the proposed project do not seem to clearly address these two factors. Clarity in addressing these so-called main factors are needed as the proponents identified them clearly as “main factors”. The proposal is good, but these adjustments need to be addressed 	
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		<p>mid and long terms, in fact the headings used were a bit confusing; likewise, there seems to be a disconnect with the logical framework and the so-called interventions and outcomes/outputs described in this justification section;</p> <ul style="list-style-type: none"> - The science of agarwood restoration which from the proposal was described as one of the problem areas does not seem to be adequately addressed in the proposed activities. This holds true for mitigating the risk of overly degraded original habitats of Agarwood. The restoration science needs to be clearly emphasized in the proposal. For example, there seem to be a proposed activity of planting mono-species (assumed to be a monoculture of an Agarwood species), is this silviculturally-sound or tested? - In the potential risk and mitigation measure - Staff movement within relevant government agencies, e.g. FAC and PDOE. The corresponding mitigation measure - Development of plantation manual “farmer Agarwood plantation” and systematically train current and new, if any, staff of the relevant stakeholders for them to continue the restoration management – appears unclear and questionable. - The reference list has some missing references cited. 				
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PP-2021-MN-001 : Forest restoration demonstration through high capacity forest nursery and capacity building in support to "1 Billion Tree" campaign in Mongolia	Member 1	B (63) [07.01.2021]	<ul style="list-style-type: none"> - Inadequate capacity to produce seedlings and tree planting is definitely not the cause of deforestation. Proper plantation (if successful) is long term solution to the issue of deforestation and forest degradation. Please specify why the deforestation is happening at first place. Therefore, there is need to properly define the problem and then link to the interventions here which is establishment of advanced nurseries. However, establishment of nurseries in three years remain doubtful; - Very lengthy description and misses out the problem. Give very clearly the background information and then describe the problems. There is no need to describe in detailed other areas, example, there is detailed description of Tujiin Nars National Park. Not able to understand if Tujiin is area of intervention of the current project? The Tujiin nars reforestation initiative was purposed to restore deforested and degraded Scots pine forest due to improper forest harvesting and frequent fires' this is confusing? - The mean temperature in the region averages 0.3°C' ? - Bayan-Uul village of Dornod province has a territory of 563,3 land area? Hectares? - Department of Forests and Local Administration are mentioned as secondary stakeholders. May be more explanation required; - The problem tree will need to be worked again. Clearly show linkages the causes, the focal problem which is here defined as 'Inadequacy of the reforestation model ...in Eastern Mongolia' and then the impacts of such problem. Description is detailed around the causes of deforestation and forest degradation and would have worked if the focal problem is deforestation and forest degradation (which is not as part of the project). Arguably, it can be linked as impact of not having successful restoration program. Deforestation and forest degradation increasing because of unsuccessful restoration; - Best option to clearly spell out why reforestation model has not worked and then define the problem accordingly. Only once cause is ascertained, can one propose interventions which here is advanced nursery development; - In order to calculate the tree cover loss and the restoration potential in Dornod province, GIS mapping has been conducted on UNFAO Earth Map geospatial platform. The 'Global Forest Change, 2000-2020' product is derived from processing Hansen Global Forest Cover Change v 1.8 database. It combines the reference tree cover 2000 with gains (recorded from 2000 to 2012) and losses of forest recorded up to 2020 in one map. It is the result from time-series 	B	A (85) [17.02.2022]	<ul style="list-style-type: none"> - The context is set but there needs to be revision in terms of language (if AFOCO feels this is important) and also re-write some of the sections as commented directly in the PDF; - Write up needs to be improved in the clarity of the core problem; - Data and information needs to be consistent in the baseline information; - The problem analysis needs to be written again and explain clearly following the flow chart developed. Match objectives in the write up section with Logical Matrix framework; - Few validation for financial feasibility might be required following the National Manual for the costs proposed; - Exit strategies mentioned, which might need further information and can be incorporated during the monitoring and project reporting period. 	A

			<p>analysis of Landsat images characterizing forest extent and change. Trees are defined as vegetation taller than 5m in height and are expressed as a percentage per output grid cell. 'Forest Cover Loss' is defined as a stand-replacement disturbance, or a change from a forest to non-forest state, during the period 2000-2020. 'Forest Cover Gain' is defined as the inverse of loss, or a non-forest to forest change entirely within the period 2000-2012. 'Forest Loss Year' is a disaggregation of total 'Forest Loss' to annual time scales'. This is not at all relevant here;</p> <ul style="list-style-type: none"> - Goal need to be defined. As now it look like an activity which is establishment of advanced nurseries and capacity building. Goal should be what will be the impact of establishing an advanced nursery and carrying out the capacity building program. Please re-phrase the GOAL; - Objective needs to be re-phrased. What will the collective of output lead to should be objective. Most probably objective could be like 'increase successful establishment of forest restoration sites. Objective 1 and 2 can be combined as they are related and dependent on each other; - More information is required on how the project will solve the problem and key benefits. As of now national and international programs are described in detail (which may not be required); - While the establishment of physical infrastructure will be possible to establish, the advanced nursery establishment is highly doubtful. Further elaboration of how this will be achieved within three years need to be clearly stressed; - Plantation or nursery establishment is not a one time activity but will have to continuE for several years. Will require maintenance of the established plantation sites and running cost of the nursery; - If staff from the Government is utilized, savings are possible which can be diverted in to other areas; - Clear exit plan and nursery management and maintenance of the established plantation or restoration sites will be required. Most plantation fail because of lack of maintenance budget as well as nursery will require enough fund to function and keep producing quality seedlings. 			
	Member 2	A (90) [03.01.2022]	- More justification relating to SDGs would be useful.		A (92) [18.02.2022]	- No further comments
	Member 3	B (83) [10.01.2022]	- Direct costs section, it is necessary to clarify the country of origin of the greenhouse, individual cost items are not indicated, such as the cost of transportation and installation of the greenhouse.		A (98) [17.02.2022]	- Direct costs require should be specified, for example, the country of the greenhouse manufacturer and its exact cost, with the installation and whether the delivery is included, etc.

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PP-2021-PH-001 : Forest Restoration using Philippine Threatened and Endemic Tree Species (PTES) in Bacon-Manito (BACMAN) Geo thermal Reservation in Support to the Philippine Forestry Sector's National Greening Program	Member 1	A (86) [22.01.2022]	- No further comments	B	A (94) [24.02.2022]	- No further comments	A
	Member 2	B (60) [31.01.2022]	<ul style="list-style-type: none"> - The proposal does not provide enough information to understand what specific forest restoration work would be conducted. It needs more concrete information and work plan; - The proposal should clarify the reason to suggest 20 endangered and endemic species for 100 ha restoration; - Species selection is one of the most important step in forest restoration. The proposal does not explain why 20 species and what species; - Forest restoration is to restore the area to fully functioned forest ecosystem and to improve ecosystem integrity. As the proposal mentioned, Philippines provides habitats for more than 3000 native tree species. The proposal needs to clarify why 20 endangered and endemic species should be planted to restore the area; - Problem identification and problem description are too general. It should provide more concrete and site-specific information; - a 2-ha arboretum does not seem to be efficient; - An arboretum requires long time to establish – seed/specimen collection, propagation, breeding, etc. 3 years are not enough. Arboretum is not a garden; - The proposal plans to plant 20 PTEs over 100 ha in the area. Why this area needs arboretum with 20 of PTEs then? Are 20 PTEs in the arboretum (output 3) the same 20 PTEs in Output 1? - 2-ha arboretum seems too small, considering high biodiversity of the Philippines. What is this for? - Output 7 needs to revisited. Plan to spend over 50,000 USD for about dozen people needs to provide more concrete explanation. 		<ul style="list-style-type: none"> - The objectives of the project seem appropriate. However, I am afraid that much of concerns and comments during the first appraisal were not reflected in the modified proposal; - The proposal is still too general to provide enough information to understand what specific forest restoration work would be conducted. It needs more concrete information and work plan; - The information on project target area is not clear. The proposal should clarify that the target area for restoration would be open forest, agricultural field, or abandoned kaingin area. The work for restoration can be different depending on the condition of target area; - Objective 1: Using 20 species for 100 ha restoration. It seems the 20 species selection is based on the company's internal assessment. Please provide more information about the company's previous experiences on the forest restoration using endemic species; - The selection of the species should be reasonable and concrete plan should be suggested; - Problem identification and problem description are too general. It should provide more 		

						<p>concrete and site-specific information. Little information was shown to support the statement of 'limited participation of private sector' and 'reforestation using exotic species'. More concrete information should be added to understand problem correctly;</p> <ul style="list-style-type: none"> - Objective 2: a 2-ha arboretum does not seem to be efficient. An arboretum requires long time to establish-seed/specimen collection, propagation, breeding, etc. 3 years are not enough. Arboretum is not a garden; - The proposal plans to plant 20 PTEs over 100 ha in the area. Why this area needs arboretum with 20 of PTEs then? Are 20 PTEs in the arboretum (output 3) the same 20 PTEs in output 1? - A 2-ha arboretum seems too small, considering high biodiversity of the Philippines. What is this for? - The previous comment on arboretum was not reflected nor responded. The purpose of only 2-ha arboretum is not clear and I am not sure if the arboretum would be necessary and what for in the restoration of open forest; - Output 7 needs to be revisited. Plan to spend over 50,000 USD for about dozen people needs to provide more concrete explanation; - Budget estimate is too general. 	
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	Member 3	B (83) [22.01.2022]	<ul style="list-style-type: none"> - Solid data on species diversity and abundance are not clearly indicated (for example the fruit bat); - Specific data related to threatened species on flora and fauna (i.e. list of threatened species and status-if any) should be stated and clarify to correspond with the proposed 20 species; - Activity 1.3, Seed Sourcing of PTES should be added. (not only seedlings sourcing); - Required to put more expenses (higher proportion) on the Output 1 (Restored 100 ha) since it is the most important output to the project. Probably, pay more attention and more expense to seed sourcing (in particular of threatened species); - Systematic selection of threatened species should be applied to meet standard ex situ gene conservation approaches (Output 1); - To be more relevant to the concept note, threatened species should be paid more attention (not just endemic status). 		A (85) [21.02.2022]	- No further comments	
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A-22-7-7 Annex-2

REFER TO DECUMENT D-45-1 (DECISION 45-VII-22R)