

Minutes of the 12th Meeting
Technical Working Group on Forestry & Environment (TWG-F&E)
At the Forestry Administration's Meeting Room
23rd February 2007

1. Welcome by Chairman

The meeting began with a welcome from the Chairman, H.E. Ty Sokhun, and a briefing of the agenda.

2. Adoption of the Minutes of the Last Meeting and following up since last meeting

Dr. Andrew informed that the questions concerned to ELC to MAFF were formally responded and the answers are in the process of translation.

H.E Ty Sokhun took this occasion to inform the members that the 9th GDCC meeting, on 12 Feb 2007 also raised the ELC issues as a hot one. The donor community will raise up the hot topics in the next CDCF which will be held mid June 2007

Mr. Mogens suggested adopting and following up the minutes, especially the information on the military development zones. He would like the MoD to conduct a brief mapping exercise of the zone.

Mr. Kong Dam, representative of MoD, responded that MoD is collecting the information. Right now one zone of 40 ha in the Kampong Speu province was reported, the zone is still forested. The objective is for development through investment with partner.

The Chairman asked Mr. Kong Dam to report the information needed are the forestlands, forested and cleared, that military camps have been occupied and used for any purposes.

Dr. Andrew suggested that if development partners need any information they will send to MoD to ask for that information.

The minutes of the last meeting, held on 8th December 2006 was adopted (it is available in www.twgfe.org).

3. Presentation Strategic Partnership Framework in NRM

Mr. Peter Jipp gave a presentation on the Strategic Partnership Framework (SPF) in NRM. He informed that the draft framework was prepared last year and was circulated for comments to the TWG F&E in December 2006. The overall objective of the framework is to improve access of local communities to natural resources. The framework focuses on the establishment of the institutional basis for integrated natural resource management, strengthening property rights and improving incomes derived from natural resources (Presentation is available in www.twgfe.org).

H.E Ty Sokhun asked that is it a general strategic framework of the WB which is prepared for all countries or only for Cambodia.

Mr. Peter Jipp: Responded that this is actually a regional concept developed in the context of the Nam Thuen II, Hydroelectric power project. That project attracted a lot of attention and stakeholder interest, and a similar strategic framework was prepared to help identify and foster the development of a consensus on how to address key natural resources management issues in Laos. It was the first strategic framework prepared in the East Asia region.

H.E Ty Sokhun did not know how other countries that the Bank has dealt with the partnership for NRM. We prefer to see that it should be fair and same judgement to all countries, and it is not a specific for Cambodia. In his point of view, Cambodia is different from Laos, and it is unclear why the World Bank would like to develop and use a framework similar to the Nam Neurn project for Cambodia. How will the Strategic Framework fit into the TWG-F&E 4 year and annual work plans?.

Mr. Peter Jipp informed that the proposed framework was prepared with the existing TWG workplans, Government policies and other commitments such as the Joint Monitoring Indicators (JMI) in mind. He also indicated that based on advice from the Ministry of Finance elements of the

NRM framework had been incorporated into a Poverty Reduction Support Operation (now renamed Poverty Reduction Growth Operation, PRGO) that would be presented to the Bank's Board in April of this year. The draft framework is considered to be a living document and will be revised based on comments from stakeholders and Government counterparts in the respective ministries.

Mr. Mogens suggested that the public consultation for the PRSO should be focus on forest certification/stewardship system might be better approach. Before the WB emphasized a lot on commercial forest concessions by the private sector, and now we are moving from forest concessions per se Annual Bidding Coupes (see below) and to strengthening service delivery models such as community forestry, commercial community forestry and partnership forestry.

Anna Beloff took the occasion to emphasize that FAO is still supporting the community forestry development for more than 2 years in Cambodia, for the benefits to the local communities.

H.E Ty Sokhun suspected that why the World Bank is interested in the forest conservation that could not generate cash to pay back as plantation. In his perception, it is not a partnership but a condition for Cambodia to borrow the money.

Mr. Petter Jipp clarified that for Cambodia, all WB support is now given in the form of grants. The WB is also one of the three implementing agencies supporting implementation of the Global Environmental Facility (GEF) for conservation of biodiversity, which also disburses funds in grant form. It is not a conditionality but is intended to be a tool that we can use to reach a common understanding and agreement on the priorities of the Government and to mobilize resources for piloting and implementation of the Government's forest sector reforms **Presentation on progress report of TWG-F&E in 2006, and Annual Work Plan 2007.**

Mr. Eang Savet briefed on the Progress Report of TWG-F&E in 2006. There are 18 main activities in the work plan: 5 activities are implemented as on estimated schedule, 6 activities are nearly on schedule, and 7 activities are behind schedule. Information sharing includes organisation of meetings, attendance meeting, presentations from government institutions, development partners, and receiving and distributing publications, programs and reports. (Presentation is available in www.twgfe.org). He pointed out that TWG Secretariat organised 2 signing ceremonies with Danida/DFID on the support to the TWG-F&E work plan and the support to the Natural Resource Management and Livelihood Programme.

He also emphasized that the 4-year Action Plan and annual work plan for 2007 of the TWG-F&E are aligned with the NSDP, CMDG, framework for the Strategic Framework for Development Cooperation Management, the GAP and other overall national strategies. However the implementing of the last year work plan has faced some constraints: insufficient funds, information sharing needs attention and improvement, and requirement of more donors back-up and financial attention. He briefed activities of the work plan 2007. There are main 26 activities in the annual work plan and some activities are supported by Danida-DFID, JICA, FAO, ITTO, AFD (Annual work plan for 2007 is available in www.twgfe.org).

Mr. Kimura: If he knows the research program is developed and supported by ADB.

Dr. Andrew reminded that funds committed to support the work plan in 2006 were approximately 20% of the total budget Therefore, this year, the TWG-F&E must discuss ways to mobilize additional resources from the Development Partners to support the AWPB-2007.

Mr. Jean: For his idea, the conservation and reforestation items should be in the work plan and is global work.

Mr. Mogens noted that it is a realistic work plan because it tries to accommodate all resources if compare to other sectors and TWGs that have not prepared such a plan. He would like to suggest that the MOUs between FA, which has been signed, those are parts in the work plan. It is indicated that they are FA's partners, i.e CI/AFD. So that they should present progress report and make copy to FA/TWG-F&E Secretariat for information. Regarding to information sharing he would like to urge all NGOs to provide information about their projects to the TWG-F&E Secretariat. At least this information could be used for future planning and harmonizing activities and aligning resources.

Mr. Joe: He will provide budget information on what the national WCS programme is contributing to the AWPB-2007 of the TWG-F&E, and people could comment on this, the budget figures contribution responses to initiative of TWG, to revise these as well as does to other NGOs.

H.E Ty Sokhun: The comments made by Mogens are very useful. We would like to have information on the projects implementing on the ground by our partners as well as NGOs, WCS, WWF, CFI, FAO... Their activities may also be contributing to the work plan.

Mr. Jean had 2 comments: It is confusing to distinguish between the work plan of the TWG and of the FA and of the MoE. TWG is a forum for coordination between government and development partners which aims to promote closer cooperation, defining priorities, harmonizing activities and alignment. May be an explanation needed on the available budget to fit the real needs. And may be the objective of TWG to set priorities to work that could manage among the donors. The second comment: we are trying to have a clear picture, i.e who is funding what and who is doing what. TWG-F&E should have a database, which is on the website and regularly updated, all MOU signed in the sector, work plan etc. that is available for everyone.

Mr. Mogens: The support to TWG Secretariat has been made around 100,000 US\$ for collection information, maintenance of webpage, to engage with consultants, workshops, etc. all departments need to prepare Medium Term Expenditure Framework in the near future otherwise they will not get funds for next year. This is a real exercise. We have to strengthen capability of the FA to meet the requirement from MEF to be able to secure governmental funding. H.E Ty Sokhun: The indicative budget in the work plan is not reflected for one donor support, it may be many donors' support. Regarding to the preparation MTEF to MEF our offices are trying to fill the new forms. The Planning and Accounting Office is responsible for budgeting. TWG-F&E Secretariat will draft a letter to NGO partners to request information on existing (and recently closed) projects and their budgets to share with us. He also reminded that earlier we requested information from some organisations but they seem are not keen to share information with us. Right now may be only one WCS commits to share information. However, this work plan is more reliable than last year.

Mr. Mogens: To make it easier we should report the progress of activities to CDC only 4 main objectives, we may develop indicators for each how progress on these 4 objectives.

Mr. Jean suggested adding one more column to show the committed budget, and the previous column shows the required budget. This is we can see where is need more fund for the priority activities.

H.E Ty Sokhun agreed with suggestion and the work plan was adopted.

5. Update on progress regarding Military Development Zones

This agenda item was ignored due to the clarifications made in earlier discussions and follow-up of the minutes of the last TWG-F&E meeting.

6. Presentation Annual Bidding Coup

The presentation is divided into 2 parts made by Mr. Khorn Sareth, Director of Forest Management Office and Mr. Than Sarath, Director of Planning and Accounting. The first part is about the Management of Annual Bidding Coupe presented by Mr. Sareth. The Bidding Coupe was conducted using the technical process that follows procedures stated in the forestry law and manuals. In 2006, bidding coupes were arranged by FA located in 4 Cantonments: Siem Reap, Ratanakiri, Kratie and Stung Treng (presentation in www.twgfe.org).

The second part is about the Procedure for applying bidding coupe, setting up of the bidding committee, and schedule of payment, presented by Mr. Sarath (presentation in www.twgfe.org).

Mr. Kimura asked how to secure the revenue from man-made forest for the replanting, because the revenue is going into the national treasury.

H.E Ty Sokhun: It is a critical question. All revenue from the bidding coupes are paid into the national treasury, not a single cent is left for the FA, even the deposits are kept by the National Treasury. The budget for replanting needs to be proposed to MEF through MAFF. The allocation of this budget is not sure too, since it depends on available money. Last year the budget allocation for planting was increased twofold to four billion Riels, some provided to the FA and other funds to the

military participating in planting. He took this occasion to invite the TWG-F&E members as observers who are interested in the public bidding process. The bidding schedule, in first week of March, was being broadcasted in Radio, TV and most popular newspaper. The bidding process is open for public.

Connecting to Mr. Kimura question about forest revenue, Dr. Andrew asked if the FA has the ambition to secure, at least a proportion of forest revenues for replanting – and other forest management activities based on the principle of revenue retention. This discussion will need to be taken up with MEF.

H.E Ty Sokhun: As you know the revenue from man made forest in the present compared to the budget allocated by MEF is still imbalanced (the revenue is less). Therefore it is difficult to challenge with this matter. He hopes that the TWG-F&E members and development partners will support this.

Mr. Jean: How to fix the basic price of 54\$/m³ of 2nd class wood species? And who can prepare coupe management plan?

Mr. Khorn Saret: The forest Management Office can provide service of preparing forest management plan.

Mr. Than Sarath: The basic price is fixed by MEF for bidding and MAFF approved as a principle.

H.E Ty Sokhun: This basic price is based on the existing wood royalty of forest concessionS, since 1999 and it was not fixed by MEF. It was the result from justification of the study of WB and ADB calculations.

7. Presentation on Wood Energy: Sustainability and Policy

Mr. Arnuaud GUIDAL is from GERES briefly presented (presentation in www.twgfe.org):

- GERES activities working on:
 - i. reduction of fuel wood demand,
 - ii. development of energy alternatives
 - iii. energy efficiency
 - iv. fuel wood policy and supply
- Study on wood energy status in Cambodia, including demand, management, wood/charcoal flow and its price.
- Sustainable wood supply could be managed from the sources of energy plantation, community forestry and sustainable forest management.
- A number of policy concerned with the fuel wood, and
- Proposed some action plans.

H.E Ty Sokhun noted that GERES would appear to married to the wrong partner (MIME) which is not concerned primarily with traditional wood fuels but the discovery of oil and natural gas. Fuel wood is, in contrast, of great importance to the FA having worked with the FAO wood energy program. In order to reduce pressure on natural forest we proposed to the council ministers to lower or exempt tax imposed on imported natural gas.

Dr. Andrew: It is good opportunity to look for other partners to work on this issue. His concern is about the growing biomass demand in neighbouring countries such as rubber wood, rice husk and wood chips. We need to look at the opportunities to promote value addition and employment creation in Cambodia using natural resources. This will be studied this year to look at the competing domestic and international demand for biomass products.

H.E Ty Sokhun asked Mr. Guidal to contact and work with Mr. Hong Suntra, Forest Industry and Trade Development Office and Mr. Ma Soktha, Reforestation Office.

8. Close of the Meeting

H.E. Ty Sokhun expressed his sincere appreciation to all members of TWG-F&E and presenters for their active participation and contributions in the successful meeting, and wishes them with the best and success and looks forward to continued contributions and participation in the next forum.

Participants

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|------------------------------|------------------------------------------------|
| 1. H.E. Ty Sokhun | TWG-F&E Chairman |
| 2. Mr. Mogens L. Christensen | Lead Donor Coordinator, Danida |
| 3. Dr. Andrew Wardell | Counsellor-Development, Danida |
| 4. Mr. Peter Jipp | Senior Natural Resource Management Advisor, WB |
| 5. Ms. Chamroeun Mudita | Operation Officer, WB |
| 6. Mr. Chea Sam Ang | Deputy Director of FA |
| 7. Mr. Joe Walston | Director, WCS |
| 8. Ms. Anna Beloff | NRM Officer, FAO |
| 9. Mr. Jean Marc Bouvard | Adviser, MAFF |
| 10. Mr. Tuy Samram | Economic Growth Assistant, USAID |
| 11. Ms. Suon Pinkanika | Deputy Office, MEF |
| 12. Mr. Sin Sokhon | Deputy Director of Dept., MLMUPC |
| 13. Mr. Hem Van Yuth | Deputy Director, CDC/CRDB |
| 14. Mr. Sam Sidara | Vice Office, MIME |
| 15. Mr. Kong Dam | MoD Representative |
| 16. Mr. Arnaud Guidal | Forester, GERES |
| 17. Mr. Khorn Saret | Chief of Forest Management Office/FA |
| 18. Mr. Than Sarath | Director of Planning and Accounting Office/FA |

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