

**Minutes of the 18<sup>th</sup> Meeting**  
**Technical Working Group on Forestry & Environment (TWG-F&E)**  
**At the Forestry Administration Meeting Room**  
**6<sup>th</sup> October 2008**

**1. Welcome by Chairman**

The meeting began with a warm welcome and appreciation from the Chairman, H.E. Ty Sokhun, to all distinguish members for active taking part in the 18<sup>th</sup> meeting since the establishment of the TWG-F&E. However, he considered that this is the first meeting for the new royal governmental mandate, the 4<sup>th</sup> legislation of Cambodia. He took the opportunity to his special warmest welcome to Mr. Jacob Jepsen, new development-counsellor of RDE, successor of Dr. Andrew Wardell and Mr. Takayuki Sato, new chief adviser of CBFSII/JICA, successor of Mr. Hori Masahiko who are the first time joining our meeting. He provided a brief overview of the meeting's agenda

**2. Identification and election of new Lead Facilitator**

**H.E Ty Sokhun** would like to suggest that for the time being Mr. Jacob Jepsen should take over the role of Dr. Andrew Wardell, the lead facilitator from the Danida's representative.

**Mr. Jacob Jepsen** expressed his willing to accept the suggestion to continue the cooperation, However if someone want to be a new candidate please suggest.

**Peter Jipp, WB** supported Mr. Jacob to be lead facilitator for the time being.

Other representatives are quiet means that they also support the suggestion.

**H.E Ty Sokhun** officially declared that Mr. Jacob Jepsen is a new lead facilitator representative of the DPs for TWG-F&E.

**3. Progress of the JMI Implementation and proposing rolled over JMIs to next year**

**H.E Ty Sokhun** informed the member that the progress of JMI implementation 2007-08 and proposed new JMIs for 2009 are requested by CDC to be sent today's deadline. The TWG-F&E Secretariat drafted the JMI progress report, which are inputs information from MAFF and FA, and proposed new JMI for 2009 for your comments. Mr. Chay Sakun, acting director of Planning and Statistic Department/MAFF who is in charge of the Secretariat of Economic Land Concession presented here.

After actively discussion, the report and proposed new JMI were approved as below:

Progress JMIs 2007-08:

| JMI Target                                                                                                                                                                                            | Action                                                                                                                                                                                                                                                                                                                                | Summary of Progress                                                                                                                                                                                                                                                                                                   | Remaining actions                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9. With the aim of stopping the loss of Cambodia's forest resources, the legal frameworks established by the Forestry Law and in particular the Sub-Decree on Economic Land Concessions must be fully | 1. Implement all provisions of the sub-decree on ELCs, including establishing and making public log book of ELCs, including:<br>- those issued at provincial level, and<br><br>- review a minimum of 5 economic land concessions over 10,000 hectares,<br><br>- taking appropriate action consistent with Chapter 6 of the Sub-Decree | - 6 Province-Municipality granted 27 ELCs to companies.<br>- 4 Companies (Men Sarun Rama Khmer; Green Rich; Mong Rethy; Ouk Khun) agreed to deduct their ELC to 10,000ha, and Cambo Victor company cancelled.<br>- MAFF is negotiating with 3 other companies (Haining Group; Pheaphimex; Green Sea) to deduct ELC to | - Province and Municipality have not sent ELC documents for registration.<br>- Solving land conflicts, Some articles/provisions of the ELC sub-decree are under a fulfilling process.<br>- The companies are insisting to keep |

| JMI Target                                        | Action                                                                                                                      | Summary of Progress                                                                      | Remaining actions                                                                                                                                |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| implemented at all levels of Government agencies. | on ELCs.                                                                                                                    | 10,000ha.                                                                                | the granted size.                                                                                                                                |
|                                                   | 2. Rapid implementation across Cambodia of forest demarcation in accordance with the sub-decree No. 53, dated 1 April 2005. | - 3,111 poles fixed equal 592 km.<br>- 17 Protected Areas demarcated at field and mapped | - Local authorities' cooperation is limited due to election times.<br>- Rainy season is difficult to fix poles<br>- Price of material increasing |

#### Proposed new JMI for 2009:

| JMI Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Action Needed                                                                                                                                                                                                                            | Responsible Government Institution | Concerned TWG | Resources Required to Achieve Target |                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------|--------------------------------------|----------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                          |                                    |               | Amount                               | Source                     |
| With the aim of stopping the loss of Cambodia's forest resources responding to CMDG and Rectangular Strategy to support Sustainable Forest Management for rural poverty reduction and climate change mitigation. The legal frameworks established by the Forestry Law, Protected Area Law, Land Law, Mining Law, and in particular the Sub-Decree on Economic Land Concessions must be fully implemented at all levels of Government agencies, whilst prioritizing the finalization of National Forest Program and Community Forestry development. | 1. Implement all provisions of the applicable laws and regulations, including establishing and making public log book of Economic Land Concessions, Mining Concessions and other concession forms under jurisdiction of MAFF, MoE, MIME. | MAFF, MoE, MIME                    | TWG-F&E       |                                      | Danida, Dfid, NZAid Others |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2. At least 1,000 Km of forestland boundary and two more protected areas demarcated both on the map and ground.                                                                                                                          | FA, MAFF, MoE                      | TWG-F&E       |                                      |                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3. At least 100 Community Forestry Sites and 10 Community Protected Areas officially approved.                                                                                                                                           | FA, MAFF, MoE                      | TWG-F&E       |                                      |                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 4. Finalize and approve the National Forest Program in September 2009; and start its implementation by the end of 2009.                                                                                                                  | FA, MAFF                           | TWG-F&E       |                                      |                            |

#### 4. Progress of NFP development

**Dr. Sokh Heng** gave a summary of progress in developing the NFP. Five NFP task force meetings were organized. The NFP task force has identified six programs and six sub-groups were established accordingly. ToR for monitoring and assessment of NFP is being drafted by sub-groups and supported by FAO facility. The following program concept notes are in development:

- National forest demarcation, classification and registration;
- Forest resource management and conservation program;
- Forest law enforcement and governance program;
- National Community Forestry program;

- Capacity building and research development program; and
- Forest, climate change and innovative financing.

He emphasized the next actions planned to be done are:

- Finalizing the drafted program and sub-programs (A meeting in Sihanoukville is planned for sub-groups);
- Developing draft NFP framework document;
- Conducting public consultations on NFP framework document
- Finalizing the NFP framework document.

**Mr. Jame Bampton** asked 3 questions: (1) Are the two terms of reference for NFP facility as you mentioned are they old activities proposed before or the new activities? (2) Since the last task force meeting have you received updated drafted on the program documents. (3) What kind of public consultation do you actually propose?

**Dr. Sokh Heng:** The terms of reference are old one; the process is so slow; FAO coordinator will come to finalize the ToRs. So far, most of updated sub-programs are slowly progressed, and Innovative Financing was submitted a new updated. For this opinion, he would organize two public consultations, local and national level, however it is upon the NFP Task Force decision.

**Mr. Lay Khim:** NFP should be closely aligned to policy recognition as stated in the new rectangular strategy, forest pro-poor management, forest climate change mitigation etc. It should be indicated some indicators guiding implementation to achieve the CMDG's forestry indicators. The baseline information is an important tool for measuring the progress of NFP implementation. UNDP also express interest to contribute in NFP development in term of technical consultation and/or minor funding.

## **5. Recommendations of the JAPR 2008 regarding sub-component forest and environment, NRMLP 2006-10.**

**Mr. Jacob Jepsen** briefed the joint annual program review (JAPR) of Danida-Dfid-NZAid for Natural Resource Management and Livelihood Programme 2006-2010, recently completed and some recommendations relevant to forestry made by review team. Monitoring system should be improved including impact indicators and reporting for easier assessment of the progress. The activities of the sub-component should be aligned to NFP as much as possible and expansion of target provinces and preparation of the 2<sup>nd</sup> phase should be started next year. The cooperation between forestry and land regarding development of Commune Land Use Planning and forest demarcation. Improve/establish link between FA and MoE regarding the climate change activities, REDD project. He emphasized that the recommendations by the review just gave to us how much we are able to follow and can be argued for justification by relevant implementers due to something, A and B... These recommendations will be discussed in the program management team.

**H.E Ty Sokhun:** To improve the effectiveness of and speed up the implementation of the sub-component he would like to request an injection of at least short term TA to assist relevant offices to develop project proposals and implement the activities. We still have much available fund but we could not spend. Governmental institution is at transaction period of taking over ownership and leadership in development of project proposal and management activities.

**Mr. Jacob Jepsen:** During the review mission, also talked a lot about requirement of TA. Maybe this time we need to consider what kind of TA needed, long or/and short term requested by the component. He recalled the recommendation that next year planning should be used off the available budget in the sub-component and then the unallocated fund.

**H.E Ty Sokhun** took an opportunity to call for project proposals from the relevant agencies and stakeholders here for next year work plan, 2009.

**Mr. Lay Khim:** UNDP has new initiative of sustainable forest management, mobilised design team to do this, and would like to take this opportunity to welcome to a partnership between UNDP's funded project and Danida-Dfid-NZAid program. We would very much welcome if you would like to include technical representatives into the design team and looking for synergy and partnership, and how to make best use of the fund.

#### **6. Agreement between FA and Terra Global Capital (TGC) on Forest Carbon Credit in Odor Meanchey Province.**

Mr. Long Ratanakoma, coordinator of community forest carbon project briefed a draft agreement between FA and TGC, highlighted some important points.

**H.E Ty Sokhun** observed that TGC's claim for compensation of 10% of carbon sale and other expenses for some activities are not covered by this agreement and it seems that our side need to pay for everything double, and TGC does not spend anything. He would like the members to discuss. He recalled the WCS's proposal that requested only 5% for broker.

**Tom Evans:** This proposal is learned from Madagascar, is a non-profit broker company to do this, so it is cheaper.

**James Bampton:** It would be easier for TWG-F&E to appraise this if we actually see the calculations that they say no profit would be generated for six years, then we can see what cost other expenses are likely added up to and we can understand why they are requesting so much. And whether CFI would like to approach any other brokers.

**H.E Ty Sokhun** said that CFI approached only the TGC, and do some part carbon measurement on the ground and formulating project design document to submit to VCS and CCBA.

**James Bampton:** If we use the RGC procurement practice to get quotations from more than one company to provide any kind of services and equipment and perhaps we should request any advices a little bit further.

**H.E Ty Sokhun** said that this is the first pilot project. Actually we work with CFI but later on we do not know how far CFI's performance on this project. And then we have been informed that CFI will close down in February 2009. Therefore, we need to have agreement with TGC. Actually, the decision of the RGC is to work with CFI, not the TGC. But CFI has a personal issue that Dr. Mark informed that his wife has serious disease, a blood cancer. Therefore, he suggested finding other partner instead in order to avoid collapse of this project. Perhaps we need to work with this company.

**Tom Evans** asked that if the TGC act as a broker to sell and then could buy the carbon itself, it seems strange.

**H.E Ty Sokhun:** They wish to be a buyer and a broker, but we are representative of RGC need only a broker. Therefore, in the agreement stated the compensation is very complicated process and terms, we deleted then wrote only 10% of the carbon sale. The previous terms said that 10% of carbon credit would not sell with us at the same time and will sell in later period; TGC would like to have an option to buy carbon credit in advance. But we does not agree it is the conflict of interest and we could not accept. And he learned from WCS only 5%. The 10% is one issue but TGC would like us to cover the expenses in the [title](#) (article) number 17.

**H.E Ty Sokhun:** We would like to suggest the TWG-F&E to have a decision. It is in the negotiation process, if we offer 5% of compensation and we would not consider the other

expenses, because we have already invested fund for preparation activities from our TWG-F&E and Clinton Foundation.

**Mr. Jacob Jepsen:** It is the first pilot project, new area, before we take decision maybe we look at the procurement and alternatives. It would be a good lesson learnt if we could have an independent evaluation on this one or we need to spend more time together to go through this agreement.

**H.E Ty Sokhun:** we raised the concerns to CFI, and please give us justification of the expenses, which are not covered in the agreement, but we do not have answer yet. We asked them to clarify the role and inputs of CFI as well. We only got an answer from CFI. H.E Ty Sokhun quoted “REDD projects are a very new concept and there is very little experience with project design, management and marketing in any part of the World. As a consequence, we all have limited knowledge regarding how REDD projects will operate, how much financing they can generate, and what costs will be involved in their development and implementation. CFI has attempted for the past decade to formulate carbon payments for community forestry groups in India under the CDM, but have not succeeded for a number of reasons, including the difficulties in remote sensing image analysis, complex computer models required by certifiers, financial projections of income and expenses, commoditization of the carbon credits, validation and certification procedures, marketing techniques, and formalizing long-term large sales, possibly with pre-payments built-in”. And

“When CFI presented the Odor Meanchey project proposal to the Technical Working Group in November 2007, I mentioned that while CFI is confident it could define the REDD project in terms of the area, communities, drivers of deforestation, mitigation strategies, etc. However, I also noted that we needed to bring in a partner to take responsibility for: 1) satellite imagery analysis, 2) development of the REDD methodology, 3) perform computer modelling of carbon for the project area, 4) help analyze the financial aspects of the project including the IRR, and 6) the marketing and sale of the carbon. CFI suggested Terra Global Capital because the firm was committed to developing projects the emphasized benefits to rural communities, had hired scientists like Steven from the University of California to develop the complex computer models to estimate carbon, and charged what I thought was a reasonable fees for their services”. H.E Ty Sokhun noted that the answer is not responding to our questions, it seems a very diplomatic way. But we need concrete action or approach. He asked WCS that has experience in Madagazka regarding REDD project to share idea that we can move this project ahead. We are government side commits to succeed the project. We would like to have a case study from Cambodia to join in the international community.

**Mr. Tom Evan:** brief experience of the REDD project in Madagascar, for 5-6 years now. The broker company is non-profit organisation claims for 5% compensation, etc.

**H.E Ty Sokhun:** In order to move ahead we would like to suggest to TWG-F&E to try to simplify the process. We can follow experience from Madagascar, and we would offer 5%-10% of compensation, and the “expenses not covered under this agreement” would be requested a list for justification (how much cost) from CFI and TGC, before decision on the agreement.

## **7. Close of the Meeting**

H.E. Ty Sokhun expressed his sincere appreciation to all members of TWG-F&E for their active participation and contributions in the successful meeting, and wished them all the best and looked 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. Jacob Jepsen     | Counsellor-Development, Danida                                  |
| 3. Mr. Takayuki SATO    | Chief Advisor, CBFS-II/JICA                                     |
| 4. Ms. Suon Pankanika   | Deputy Office, MEF                                              |
| 5. Mr. Sin Sokhon       | Deputy Director of Department, MLMUPC                           |
| 6. Mr. Sy Ramony        | Director of National Park and Wildlife Sanctuary Department/MoE |
| 7. Mr. Seng Laing       | Chief of Metallic, MIME                                         |
| 8. Mr. Peter Jipp       | NRM Cluster Leader, WB                                          |
| 9. Mr. Lay Khim         | Team Leader, UNDP                                               |
| 10. Mr. Sophy           | Ministry of National Defence                                    |
| 11. Mr. Mark Gately     | Country Director, WCS                                           |
| 12. Dr. Tom Evans       | Technical Adviser NRM, WCS                                      |
| 13. Mr. James Bampton   | CTA, CBSFLMP/RECOFTC                                            |
| 14. Dr. Sokh Heng       | NFP Coordinator, FA                                             |
| 15. Mr. Lic Vuthy       | Program Staff, Danida                                           |
| 16. Mr. Long Ratanakoma | Deputy Chief CFO/FA                                             |
| 17. Mr. Chay Sakhun     | Deputy Director, MAFF                                           |
| 18. Mr. Meas Makara     | Chief of WMFO/FA                                                |
| 19. Mr. Soren Brofeldt  | Trainee, RECOFTC                                                |

**TWG-F&E Secretariat**

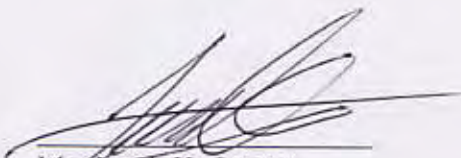
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