

Minutes of the 19th Meeting
Technical Working Group on Forestry & Environment (TWG-F&E)
At the Forestry Administration's Meeting Room
8th December 2008

1. Welcome by Chairman

The meeting began with a warm welcome from the Chairman, H.E. Ty Sokhun, to all distinguish members to the meeting today. He informed that for today meeting also some other involved stakeholders were invited to participate in accordance with the agenda because today we are going discuss a road map for National Forest Program process, which was developed by core group of NFP with assistance of Mr. Arvid Sloth, Forest & Landscape Denmark (FLD), University of Copenhagen. And we have one new participant, professor from Seoul University, who has MoU with FA regarding Biodiversity Conservation. And Mr. Chuop Paris, Assistant FAO Representative who is also a main actor in NFP process. We also have some new observers here, PACT who may take over function and role of CFI, which is engaging the REDD project, the community forestry at Oddor Meanchey province. A new replacement of representative from Ministry of Commerce. He provided a brief overview of the revised agenda, which is circulated. He asked the members whether they had any comments on the agenda before approving and proceeding.

2. Approval of minutes from the 18th TWG F&E meeting

H.E Ty Sokhun asked the members to read draft minutes of the 18th TWG-F&E meeting. He also informed that the new JMI for 2009 was approved by CDCF on 4-5 Dec 2008.

The minutes was approved.

3. Road Map for NFP Development

Dr. Sokh Heng briefed the background why we have NFP process.

- RGC's Intention to develop forest governance through a NFP expressed at IPF, IFF, UNFF, and ASEAN forestry meetings during the last 10 years.
- NFP development directly prioritised in National Forest Sector Policy Statement 2002.
- ITTO Forest Sector Diagnostic Review in late 2004 suggested: *"The existing draft Forestry Action Plan should be further developed into a National Forestry Programme"*
- NFP development included as a priority in National Strategic Development Plan 2006-10
- The NFP is the Top-Priority of the TWG F&E Action Plan 2006-2010
- Consultation Group Meeting (CG), June 2006 encourages the Forestry Administration to develop a NFP to provide new momentum for the sector.
- Mid 2006 TWG-F&E decision to move on the NFP.

So far there are six programs have been identified as core parts for NFP framework document to be developed. The JMI 2009 is set to complete this NFP framework document including the six core programs. So far, these six programs are in draft and need a lot to be done before completion. We still need inputs, updated information, studies, etc. The process was slow in 2007-08 therefore we discussed among our development partners to come up with a new road map and establish a core group, DP and FA to facilitate and push this process.

Mr. Arvid Sloth presented the road map for completion of the NFP framework document to catch up the set deadline in September 2009. There are three main parts in the road map (available in www.twgfe.org):

1. Prioritising NFP as the main forest sector activity and streamline all activities in relation to this. Regarding policy dialogues among stakeholders across several sectors, NFP awareness and extension and media orientation should be speeded up. About NGOs working in the sector that were not included in the NFP Task Force members and TWG-F&E members were not informed

2. Structured plan and specific timeline for participation, support, and feedback, reflection

He emphasized that there some studies have to be completed to include in the NFP process. Some of the TWG-F&E and the FAO funded studies were completed, some heavily delayed and some have even not yet started. He explained some challenges:

- Maximum sector attention required.
- Forest Governance
- Proper funding commitments
- Inputs from other sectors
- Dependency on timely results of studies
- Avoid delays or surprises at any step at the Road Map.
- Linking-up the many studies and incorporation of findings
- Engagement of civil society, inputs, dialogue, and consultations,
- Ensure that a proper Forest Financing Programme will be made
- Full commitment and engagement of decentralised Core Group, programme working groups and Task Force.
- Not build solely on the traditional and well-known approaches
- Reflection on past and propose new, strategic and future oriented approaches
- If the process is not managed strictly it will involve so many different parties, agendas, breaking of deadlines and changes of meeting dates resulting in inefficient procedures, delays throughout the process so that the work of facilitating, compiling, harmonising and upgrading will be too overwhelming.
- Important now for stability and continuation to keep the same resource persons that are presently involved in the process, in the core group and the working groups

3. A NFP budget directly linked to Road Map:

- The Road Map needs maximum support and attention from all stakeholders including the broader civil society.
- The Road Map respects and plans for operational decision making in decentralised cross-sectoral forums (Core Group, Six Programme Working Groups, Task Force and TWG F&E)
- The Road Map needs strictly observation of the proposed deadlines.
- The Road Map NFP process needs maximum from the TWG-F&E.
- The Road Map is the only proposed viable model for working towards a National Forest Programme.
- The Road Map needs the TWG-F&E's full approval.

Mr. Eang Savet would like to suggest that NFP process should make some consultations at local level for more comprehensive audiences and participation and then back to high-level consultation.

Dr. Sokh Heng explained that the road map had been planned early next year for 3 local consultations.

Mr. Arvid Sloth presented the tables of the road map, which listed 35 activities with expected results and timeframe to be completed by responsible people or organisation (attachment). He emphasized that some TWG-F&E and FAO supported and others have not

yet started. Outstanding is overall problem analyses on forest governance, capacity need assessment, management and evaluation system, sustainable financing forest sector, etc.

H.E Ty Sokhun asked for clarification if study on financing forest sector, which is proposed by WB, is delayed, and WB is absent today, how the NFP process can go smoothly without waiting these studies?

Mr. Arvid Sloth: regarding the sustainable forest financing study and programme it can be delayed but it is essential to have financing program as part of a NFP, so it should not be excluded and we should aim for plan that included a sustainable forest financing programme. The Governance study is very important as a NFP is essentially about Forest Governance. At present there are no commitments from development partners to these essential parts of NFP. This is an obstacle that Government and Development partners needs to help with.

Mr. Chuop Paris, FAO: Regarding the three studies which are FAO responsibility, just put deadline 12 Nov 08 in the Road Map. He informed that the two ToRs are advertised with deadline on 26 Nov 08, and he suggested reschedule to January 2009, and he suggested indicating the budget in the road map, which activities go first and so on or prioritize activities.

H.E Ty Sokhun: Of course, the studies provide more information into the NFP process. But sometime they may cause delay the process too, therefore he asked the members that if the studies are delayed whether those would cause the NFP process to be stuck? Or whether we just need to go ahead with the consultations instead.

Mr. Lay Khim is seeing that the process of formulation/road map is depending much on these NFP studies funded by TWG-F&E and FAO, but the team is not positioned to select and control the results these studies and then they become a risk.. He suggested doing problem analysis instead: strength, weakness... then we can minimize the risk. He also suggested that do not put exact time (end September) the approval of NFP at Council Ministers because it is out of control of TWG-F&E.

Mr. Arvid Sloth: Regarding the three FAO's studies, a priority is the Problem Analysis and the sooner the studies will start the better otherwise the process is completed before the supportive studies are undertaken. Regarding the UNDP comments, he fully agreed. Moreover, the problem analyses study if no other donors take it on, then we need work on what we already have: a number of studies, forest sector reviews and the analytical studies done by FLD.

There are a number of donors that have expressed interest in engaging in this process, therefore he would like to suggest them to consider this lacking part. He hoped that H.E Ty Sokhun could make dialogue with them; and perhaps the ASEAN Forestry Focal Points could contribute to the NFP as well

H.E Ty Sokhun: If we could not conduct the studies, we may need to focus more on consultations instead. We would like to suggest FLD to review the road map by integrated comments from the floor before we finally adopt the road map in January 2009. He also suggested making some public consultations at provincial or district level, with NGOs during the process. He also appreciates recommendations for the constructive ideas, to request more consultation process among public stakeholders. He also called for our potential DPs to support the NFP process, i.e. FAO to support the consultation process.

Mr. Chuop Paris, FAO fully support the consultation process. He thought that we would gain three benefits, sharing information at grass-root level, getting feedback from them, and strengthening the decentralization of bottom-up planning. FAO has fund of 300,000 USD to support NFP facility, for organizing workshop, training, studies and consultation, but not for hiring international consultant. The budget is flexible for use in the period of three years.

Mr. Arvid Sloth said that four consultations in during 2009 are listed in the road map.

H.E Ty Sokhun: we would like to see consultations starting end of January 2009. He asked Mr. Arvid to revise the road map and circulate to the members before the next meeting.

Mr. Arvid Sloth: He would like to know DPs and Government position on possible support to the outstanding studies of sustainable forest financing (and financing programme) and the governance analysis to finalize the road map in January 2009.

H.E Ty Sokhun: The financing programme is supposed to do by WB, but WB is absent. Of course, we would like the participatory process, but it does not depend on one organization to do a study and jeopardize the whole process. This is we try to avoid. He asked Mr. Arvid to group the governance analysis and sustainable financing if the study could not start or got late results then it does not be stuck the others.

4. FAO Studies update

H.E Ty Sokhun: As the two ToRs were advertised in the newspaper has not come to deadline, 26 Dec 2008 then we skip this agenda.

5. Follow up to the finalization of the REDD project

H.E Ty Sokhun briefly reported on the Royal Government of Cambodia's decision regarding the forest carbon project being initiated in Oddor Meanchey Province for community forestry. The FA has been involved in a tough negotiation process with our partners, CFI and TGC and a final agreement has not yet been reached. Two outstanding issues remain, viz., arbitration for dispute settlement, and a letter of intent for a second project as proposed by TGC. TGC originally requested as compensation 10% of credits for their services, as a broker and carbon project developer. However, we learned from WCS, in the previous TWG-F&E meeting, that in the case of the Makira Forest in Madagascar this non-profit organisation agreed to only 5% for their services. FA is currently exploring a potential compromise of 6% of credits and a pre-payment of 100,000 USD for TGC's work on ground. The negotiations have been facilitated by the Clinton Foundation, which has also agreed to meet the third party validation costs for the Oddar Meanchhey Project Design Document and REDD Methodology. The specific interest of the Prime Minister in the success of this demonstration project was raised during a meeting with the Clinton Foundation Chairman Mr. Ira Magaziner on 12th September 2008 after an MoU was signed between FA and the Clinton Climate Initiative to catalyze forest carbon financing in Cambodia. The FA has also been supported by the Clinton Foundation during the on-going negotiations with PACT, the potential successor to CFI.

Dr. Andrew Wardell complemented H.E. Ty Sokhun's excellent briefing by adding that the Clinton Foundation remained optimistic in terms of finalizing the negotiation of the FA-TGC Agreement before the end of 2009. Once the Agreement is signed this will enable the third party validation process to move ahead with both VCS and CCB, a process that is likely to take 6 to 8 weeks to complete. The other critical issue is to ensure the continuity of CFI and CDA support to the 12 community forestry groups in Oddor Meanchhey Province to protect and manage the remaining forest areas.

Clinton Foundation will also be more than happy to assist in the development of the NFP subprogram Forestry, Climate Change and Innovative Financing as per the earlier request by Dr. Sokh Heng. This could include Clinton Climate Initiative's ability to harness the results of a recent global study on catalyzing forest carbon investments in the forestry sector.

Mr. Kurt Maclaud, PACT informed the meeting that a new partnership between PACT and CFI is progressing well, and will be finalized by March 2009. PACT would also like to strengthen its relationship with the FA on the existing and additional REDD demonstration projects.

Dr. Andrew Wardell: Clinton Climate Initiative suggested that an immediate challenge with regard to new REDD demonstration projects is not about market rates for carbon project developers but relates to the size of potential (community forestry) forest areas. It is difficult to identify areas of 100,000 ha, which would preclude the need to develop new methodologies due to different biophysical and social conditions.

H.E Ty Sokhun requested that the Clinton Climate Initiative to continue to provide support to finalize the negotiations with TGC, CFI and PACT, and to ensure the success of the Oddor Meanchhey REDD demonstration project. He informed the meeting that the Prime Minister would like to see this project succeed first prior to extending to other project areas.

6. Project Proposal for 2009

Mr. Sok Srun, Coordinator of TWG-F&E presented a list of project proposals including continuing project and new proposals, which were received for reviewing and producing a work plan and budget for 2009 of the subcomponent forest and environment, supported by Danida. There are 37 project proposals from FA, PACT, WCS, GERES, RECOFTC, and they are aligned to NFP Programs. The total budget requested **2,737,312 USD**. Due to insufficient budget, some consideration was set for selection of the proposals, as the following.

A. Objective subcomponent forest and Environment

The outputs and outcomes of the proposal have to contribute to the objective *“Access rights to forests improved and pro-poor management options implemented”*

B. JMI 2009

- **“At least 1,000 Km of forestland boundary** and two more protected areas demarcated both on the map and ground”.
- **“At least 100 Community Forestry Sites** and 10 Community Protected Areas officially approved”.
- **“Finalize and approve the National Forest Program** in September 2009; and start its implementation by the end of 2009”.

C. Cost efficiency

- Not too big TA Cost (many staff or man-month, International TA, pay to the right person)
- Avoid or minimize overhead cost?: Running cost, Admin cost, Head Office, Rent Office
- Granted Budget must be kept in the bank in Cambodia for use.
- No capital equipment/Items.

D. Abide by the Cambodia Laws/Regulations

- Agency/organization registered/based in Cambodia
- Expatriate/national Staff pays income/salary tax in Cambodia
- Agreement is to be signed with person who is permanently working in Cambodia.

E. Quality/requirements of Proposal

- Clear output and achievable, clear timeframe outputs, short-term, not more than 12 months
- Project Team (Staff, Capacity, ToR, Organizing and distributing labor...)
- Knowledge transferring/capacity building (national staff, Govt-LNGOs, ...)

H.E Ty Sokhun is calling for other potential development partners representing here, JICA, WB, UNDP, FAO etc to put more support to these proposals. He also asked the Secretariat to remind the MoE again and given more time to make proposals regarding establishment of community and forest demarcation in the protected area, to us as soon as possible.

Dr. Tom Evan: How long it will take for the review of proposal?

Mr. Sok Srun: In plan it will take 2-3 weeks, however right now is December and our partner is European they have Christmas and New Year in this month then it would be delayed.

H.E Ty Sokhun: we should have done before the next TWG-F&E meeting.

7. Presentation on result of the study on Biomass: chip wood, rice hush and rubber wood.

Mr. Arnuaud Guidal presented the results of the study as the following:

- Rubber Wood: domestic demand for 40 brick factories: 145,000m³/year (equivalent to 725ha/year, assuming 200m³/ha); and for 70 garment factories: 780,000m³/year (equivalent to 3,900ha/year); and export demand for sawmill: marginal (sawmills are closing)
- Rice Husk: domestic demand for brick factories estimated number (BTB, BMC): 20 large along NH5 = 13,200-19,200mt/year; for noodle and alcohol producers are marginal. And export demand: Chaiyo Aa exported 5,000mt in 2007 for gasification in Thailand to generate power and Paddy exports: 2 million mt/year.
- Wood chip: Domestic demand: Cambodia pulp and paper mills = 0; Export demand: wood chips, pulp and paper traders (Hilco Co.: wood chipping mill in SHK, exports 10,000mt/month. Supply from FA plantations and CF; Green Rich Co.: produces and exports Melaleuca chips).

The study proposed to develop a biomass management plan which is included:

- Bio-energy market place
- GIS transport cost model, mapping of suppliers and users
- Alternatives: rice husk briquettes production, certified supply chains, Carbon offsetting
- Demonstration of improved technologies
- Guidelines to promote investments in CDM renewable plantations
- Sustainable charcoal production and supply chain

8. Presentation on result of study on timber demand

Mr. Hang Suntra presented a result of the study on local timber demand. The total timber demand in 2008 is at about 262,511m³, and demand per capita is about 0.0189m³. Prediction of timber demand for the period of 10 years (2009-18):

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
281,856	288,338	295,296	302,088	309,036	316,144	323,415	331,162	338,778	346,570

The study recommends that:

- Future study on timber demand and supply will be conducted by cantonments and divisions in each forestry inspectorate
- Base on amount of timber demand, the supply side management plan and strategy should be developed.
- Accelerate forest plantation management with participation from private sector and local communities.
- Study on Trend Analysis on uses of other construction material that might replace timber should be further conducted.

9. 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. Takayuki SATO | Chief Advisor, CBFS-II/JICA |
| 3. Ms. Siv Cheang | Program Officer, JICA |
| 4. Ms. Suon Pankanika | Deputy Office, MEF |
| 5. Mr. Sin Sokhon | Deputy Director of Department, MLMUPC |
| 6. Mr. Meng Monyrak | Deputy Director of DNPWS/MoE |
| 7. Mr. Mak Sopheakra | Deputy Director, MIME |
| 8. Mr. Hem Van Yuth | Deputy Director, CDC |
| 9. Mr. Lu Chu Chang | Chairman, CTIA |
| 10. Mr. Paul Mason | Country Representative, PACT |
| 11. Mr. Chuop Paris | Assistant FAO Representative |
| 12. Mr. Soy Seung | Program Assistant, FAO |
| 13. Mr. Lay Khim | Assistant Country Director, Team Leader, Environment –energy unit, UNDP |
| 14. Mr. Sophy | Ministry of National Defence |
| 15. Mr. Arnaud Guidal | Agro-forestry unit manager, GERES |
| 16. Mr. Mark Gately | Country Program Director, WCS |
| 17. Dr. Tom Evans | Deputy Director, WCS |
| 18. Mr. James Bampton | CTA, CBSFLMP/RECOFTC |
| 19. Mr. Kurt A. Maclaud | Vice President, PACT |
| 20. Mr. San Kim | Legal Advisor, DAI |
| 21. Mr. Hang Suntra | Chief Office, FITDO/FA |
| 22. Mr. Than Sarath | Chief Office, PAO/FA |
| 23. Dr. Andrew Wardell | Regional Director SE Asia, Clinton Foundation |
| 24. Mr. Arvid Sloth | FLD |
| 25. Dr. Sokh Heng | NFP Coordinator, FA |
| 26. Mr. Long Ratanakuma | Deputy Chief CFO/FA |
| 27. Mr. Woo Shin LEE | Professor, Seoul National University |

TWG-F&E Secretariat

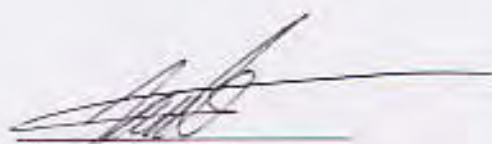
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|--------------------|-----------------------------|------------------|--|
| 28. Mr. Eang Savet | Inspector, MKFAI | Tel: 012 915372 | Email: savet2003@yahoo.com |
| 29. Mr. Sok Srun | Coordinator of TWG-F&E Sec. | Tel: 012 940 936 | E-mail: twg.fe@citylink.com.kh |

Recorded by



Mr. SOK SRUN
Coordinator, TWG-F&E Secretariat

Endorsed by



Mr. Jacob Jepsen
Lead Facilitator, TWG-F&E
As viewed



H.E Ty Sokhun
Chairman, TWG-F&E