



COUNTRY PROGRAMME ACTION PLAN 2016-2020



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MID-YEAR PROGRESS REPORT 2017

SECTION 1 TO 5: TO BE COMPLETED BY UNDP MALAYSIA

1. PROJECT DETAILS	
Project Title: Developing and Implementing a National Access and Benefit Sharing Framework in Malaysia (ABS II)	Award ID: 00086812 Project ID: 00074369 Project Period (Project Document): 7 January 2014 – 31 December 2017 Revised Project End Date (If Any):
Implementing Partner: Ministry of Natural Resources and Environment	

2. FINANCIAL MANAGEMENT	
2017 AWP Budget: USD 872,726.00 2017 Expenditure - As of 30 June: USD 203,755.42 2017 Expenditure - As of 30 June: 23.3%	Total Project Budget: USD 1,970,000.00 Total Cumulative Expenditure: USD Total Cumulative Expenditure:

(to be updated by PM)

3. PROJECT OVERSIGHT	
NSC: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Minutes (Attached): <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	NSC Date: 13 January 2017 NSC Chair & Designation: Dato' Sri Azizan bin Ahmad Secretary General, NRE

(Updated by M&E Officer; PMs please revise log amendment date if over 6 months since last update)

4. RISK LOG MANAGEMENT AND MONITORING	
Risk Log Reviewed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Risk Log Amended: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Last Log Update: Last Log Amendment:

5. AUDIT AND EVALUATION	
NIM Audit: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Report (Attached): <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Rating: Unqualified	Project Evaluation: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Report (Attached): <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Rating: PIR 2016 Development Objective (Outcome): Moderately Satisfactory Project Implementation (Output/Activity): Moderately Unsatisfactory Quality of reporting Satisfactory



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SECTION 6 TO 8: TO BE COMPLETED BY IMPLEMENTING PARTNER

6. 2017 OUTPUT TARGETS AND STATUS – AS PER AWP 2017

Outcome 1: An operational national regulatory and institutional framework on ABS

Output 1.1: National law and implementing regulations on ABS developed with stakeholder participation.

Output 1.2: Institutional framework including national and state competent authorities and supporting measures established to enable implementation of the national ABS law at federal and state levels.

Output 1.3: Financial and funding mechanisms established at federal and state levels to receive and reinvest proceeds from ABS agreements towards the conservation of biological diversity and sustainable use of its components and the relevant indigenous and local communities.

Output 1.4: Supportive institutional framework for sui generis systems for protecting traditional knowledge, innovation and practices and customary uses of biological resources developed in Sabah

Output 1.5: Community protocols constitute the basis for clarifying PIC and MAT requirements between users and providers of traditional knowledge and biological resources.

Output 1.6: Ethical code of conduct or guidelines for research on traditional knowledge and genetic resources.

Target:

1. National ABS bill is tabled for endorsement to the Cabinet and the Parliament by 30 June 2017.
2. National ABS law and implementing regulations on ABS come into force by 31 December 2017 and are applied by national and state Competent Authorities.
3. Financial and funding mechanism(s) established and operational for the reinvestment of proceeds from ABS agreements into conservation of biological diversity and sustainable use of its components at federal and sub-national level by 31 December 2017.

Status: On Track Off Track

Details:

- The third proofread session to review the draft ABS bill in English and Bahasa Malaysia version will be conducted with Attorney General's Chambers (AGC) in early July 2017.
- The ABS blue bill will be printed once the text has been finalized.
- A session with the Parliamentarians will be conducted before the 1st reading of the ABS bill.
- The draft ABS bill was approved by the Cabinet on 31 March 2017 and will be tabled in the Parliament on the July –August session.
- The draft ABS regulations have been updated by the consultant based on discussion with NRE and NRE's legal advisor during core group meetings.
- Consultation on the draft regulation will be held to obtain input and feedback from stakeholders once the ABS Law is approved by the Parliament (target in August) as this will influence the information presented to the stakeholders.
- The first draft template of benefit sharing agreement was also made available and discussed during the core group meeting and will be circulated during the national consultation session for feedback and inputs.
- The stocktaking workshop on financial and funding mechanisms for ABS proceeds was conducted on 27 February 2017 to give a brief idea on the study and to get feedback and input from



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<p>4. National and State Competent Authorities for all (13) States operational for full implementation of national law and regulations on ABS by 31 December 2017.</p> <p>5. Supportive institutional framework for sui generis systems for protecting traditional knowledge, innovations and practices and customary uses of biological resources developed for Sabah State by 31 December 2017.</p>	<p>relevant stakeholders on possible options on best way to manage ABS proceeds.</p> <ul style="list-style-type: none">• There's delay on the delivery of the revised stocktaking report, midterm report and 1st draft of final report due to the consultant's health issues.• Based on the consultant findings, NRE will conduct a workshop on the options for ABS financial and funding mechanism on July 2017. The final report will be tabled during NSC meeting for approval. <p>The national ABS law is pending for approval by the Parliament. However, the Competent Authorities and checkpoints have been designated. All (13) States have identified and nominated their Competent Authorities (CA). Majority of the States have nominated the State Economic Planning Unit as CA. Meanwhile, Negeri Sembilan State Forestry Department will act as CA for Negeri Sembilan, Sabah Biodiversity Council for Sabah, Ministry of Urban Development and Natural Resources for Sarawak, and the Ministry of Federal Territories and Urban Well will act as a CA for all three federal territories.</p> <p>The agencies appointed as checkpoints are Intellectual Property Corporation of Malaysia (MyIPO), Ministry of Science, Technology and Innovation (MOSTI), Clinical Research Centre (CRC, MoH), Ministry of Higher Education (MoHE), National Pharmaceutical Regulatory Agency (NPR), Universiti Putra Malaysia (UPM), Universiti Teknologi Malaysia (UTM), Universiti Sains Malaysia (USM), Universiti Malaya (UM) and Universiti Kebangsaan Malaysia (UKM).</p> <p>SaBC with the assistance of Bio Community Initiative (BCI) as facilitator is developing the community protocol for Lundayeh community in Long Pasia/Mio, Sabah. A functional Bio-Committee board (AJK Bio-komuniti) has been set up and a team of community researcher (Penyelidik Komuniti) has been trained to conduct the activities in producing the community protocol. The first draft of the community protocol is expected to be ready in October 2017.</p>
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Outcome 2: Strengthened national institutional and stakeholder capacity for implementation of the national ABS framework.

Output 2.1: Improved capacities of the State Competent Authorities (CA), National Competent Authority (NCA) and related agencies including Biodiversity Centres at State level through training of 100 staff on processing access applications, negotiating ABS agreements and monitoring and tracking to ensure compliance.

Output 2.2: Training programme and modules on bio-prospecting and research procedures developed and made available to the above authorities.

Output 2.3: Mechanisms institutionalized to facilitate access to information and support compliance under the national law and the NP.

Output 2.4: Campaign to raise awareness on the ABS law, CBD and Nagoya Protocol targeting researchers, indigenous and local communities, and relevant industries.

Output 2.5: Knowledge, attitudes and practices (KAP) assessment surveys targeting specific groups (e.g. researchers, indigenous and local communities, and relevant industries) that may use or benefit from ABS transactions are carried out to assess enhanced awareness about national ABS law, the CBD and Nagoya Protocol.

Target:

1. ABS capacity scorecard targets by 31 December 2017: NRE 75%, Sabah 75%, Sarawak 75% and other agencies 30%.
2. 100 staff from competent authorities, patent office, researchers, industries, MOSTI and EPU trained on CBD and ABS by 31 December 2017.
3. 80% of the population of researchers, local communities, and relevant industry targeted by the campaign is aware of the national law and CBD and NP provisions related to ABS and traditional knowledge (TK) among stakeholders including researchers, public, ILCs and industries by 31 December 2017.

Status: On Track Off Track

Details:

- ABS capacity scorecard (mid-term): NRE 36.66%; SBC 46.66%; SaBC 46.97%. The scores was lower than expected due to the postponement of ABS law tabling at the Parliament which as a consequence, delay the implementation of all planned public awareness programs for this year.
- The capacity building programme is also on hold as it needs to be based on the ABS law and regulations. The programme will be implemented once the ABS bill is adopted by the Parliament.
- The final assessment survey for the Knowledge, Attitudes and Practices (KAP) on Awareness of ABS will be conducted by the UPM in the third quarter of the year.
- NRE will cooperate with local NGOs to raise awareness on ABS by participating in the existing public awareness platform, such as, the ASEAN Senior Officials on Forestry (ASOF) - Regional Seminar on Forest Landscape Seminar on 26 July 2017, Central Forest Spine (CFS) Seminar on 27-28 July 2017, World Indigenous Day 8-10 August 2017 at Kota Kinabalu Sabah, 1st Expert and Ministerial Meeting of Like-Minded Megadiverse Countries (LMMC) in October and the 10th Kuala Lumpur Eco Film Festival (KLEFF) 2017 in 23-29 October 2017.



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Outcome 3: Best practices on ABS processes are demonstrated recognizing the principles of biodiversity conservation, prior informed consent (PIC) and mutually agreed terms (MAT) including the fair and equitable sharing of benefits.

Output 3.1: Demonstration project on the documentation of traditional knowledge associated with biological resources of Kensiu (Kedah) and Kintak (Perak) Orang Asli for the development of one prototype products for potential commercialization.

Output 3.2: Demonstration project on the development of an ABS agreement with Semai Orang Asli (Perak) for the development of one prototype nutraceutical/health care product for initial commercialization.

Output 3.3: Demonstration project on the utilisation of genetic resources associated with traditional knowledge for the development of health and personal care products in Sarawak.

Output 3.4: Best practice ABS agreement and PIC processes in Malaysia are made available to federal, States and regional audiences.

Output 3.5: Awareness raising activities among stakeholders are integrated into pilot projects to increase understanding on the regulatory need and of the values of biological and genetic resources.

Target:

1. At least 2 ABS agreements initiated for initial commercialisation of prototypes with fair and equitable benefit sharing provisions by 31 December 2017.
2. At least 3 PIC with ILCs implemented in accordance with the planned PIC/community protocol by 31 December 2017.
3. Best practice ABS agreements and PIC processes presented at international workshop for ASEAN countries in 2017, published in workshop proceedings and made available through NRE website.
4. At least 2 ABS agreements initiated in Sarawak that include in situ and/or ex situ conservation measures as appropriate by 31 December 2017.

Status: On Track Off Track
Details:

FRIM has developed 1 prototype for the Semai community. The draft agreement (MAT) for the benefit sharing on the prototype has been discussed with the community involved. The benefit sharing agreement will be presented to the Perak State Government before finalization in third or last quarter of the year.

Currently, there is no standard prior informed consent procedure in place. All implementing entities have conducted the PIC ethically under the spirit of CBD on every engagements with communities involved. Best practices of procedures and lesson learned from implementing entities will be used as an input and guidance in developing the standard PIC template. The standard template will be developed and further discussed during the consultation session on the ABS regulations with the stakeholders.

ABS team together with the project partners (FRIM and SBC) will showcase the project during the upcoming ASOF and CFS Seminar in July 2017, LMMC, International ABS Forum and 10th KLEFF.

The processes will be properly documented and shared with relevant stakeholders.

SBC is in the process of discussing the fair and equitable ABS draft agreement with the relevant communities from 5 villages involving peoples of Bidayuh, Kelabit and Lun Bawang as the traditional



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<p>5. 80% of the population of ILCs participating in the pilot projects are aware of the existence, use and option values of the biological resources under their stewardship by 31 December 2017.</p>	<p>knowledge and resource provider for the <i>Litcea cubeba</i>.</p> <p>Benefit sharing agreement for the 5 villages (Kpg. Kiding, Padawan (Bidayuh); Long Kerebangan, Lawas (Lun Bawang); Long Telilngan, Lawas (Lun Bawang); Pa'Lungan, Bario (Kelabit); and Pa'Ukat, Bario (Kelabit)) is in the final stage of drafting. At the current stage, SBC is compensating the communities involved by sponsoring the essential oil distillation facilities (equipment, utensils, and construction of distillation shed) in every villages and purchase the essential oil produced on a competitive rate (RM700/L). The community is benefiting from the Litcea oil produces as extra income.</p> <p>The traditional knowledge of ILCs involves in the ABS pilot project has been documented by both FRIM and SBC. FRIM has published a book on indigenous people socio-economic profile in documenting medicinal plant documentation. All the ILCs involved has been briefed with the concept of ABS particularly in PIC and MAT requirements alongside with the implementation of the pilot project. The awareness of the ILCs seems to have improved. The second phase of KAP survey which will be conducted by UPM in October 2017 will better illustrate the level of awareness on ABS amongst ILCs.</p>
<p>Outcome 4: Project Management</p>	
<p>Target:</p> <ol style="list-style-type: none"> 1. Annual project budget is delivered at least 95% by 31 December 2017. 2. Project is rated Satisfactory for Development Objective and Moderately Satisfactory for Implementation Progress under the Project Implementation Review 2017. by UNDP-GEF 3. Project achieved low risk rating for HACT assurance activity by 31 December 2017. 	<p>Status: <input checked="" type="checkbox"/> On Track <input type="checkbox"/> Off Track</p> <p>Details:</p> <p>AWP 2017 expenditure as of 30 June 2017 is standing at USD 203,755.42 or 23.3% - low delivery. This is due to delay in the implementation of planned activities correlated with the adoption of ABS Law, such as consultations sessions, capacity building, CEPA programme, core group meetings, and payment to consultants. These activities will only take place after the adoption of ABS law and regulations.</p> <p>Project Implementation Review 2017 is being prepared and final rating will be assigned in July 2017.</p> <p>A HACT Audit was conducted last year as requested by UNDP on 4-5 May 2016. NRE has been rated as having moderate risk.</p>



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4. Midterm review report is completed by 30 June 2017.	The Midterm Review will be deferred as it is not a prerequisite for request for project extension.
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7. ISSUES AND CHALLENGES

Descriptions:

1. Postponement in tabling the ABS bill: The further delay in adopting the ABS law is affecting the delivery of project outputs and implementation of project activities, in particular, under Outcome 1: An operational national regulatory and institutional framework on ABS and Outcome 2: Strengthened national institutional and stakeholder capacity for implementation of the national ABS framework. The ABS Bill is scheduled to be tabled in Parliament in July – August 2017. The pending activities associated with the ABS law and regulations can be initiated after the bill is approved by the parliament.
2. Project implementation period: Due to the unexpected delays on ABS law adoption, many of the planned activities have to be postponed to end of the year 2017. Besides that, although the pilot projects with implementing partners (FRIM, SBC, SaBC) are progressing as planned, they are facing some unforeseen circumstances like changing of personnel/contractor and weather issues in pilot project sides, which is affecting their plan. They also might need more time to deliver the desired results as the projects are very much involving series of negotiations and continuous engagements (building relationship and gaining trust) with the ILCs which is time consuming and beyond our control. Therefore, the project completion date by 31 December 2017 has become not realistic.

Action Taken by implementing Partner:

NRE has send an official request for 12-month no-cost extension to the Resident Representative for Malaysia on 2 June 2017.

Additional Support Requested from UNDP/ EPU:

8. LINKAGE TO THE 11TH MALAYSIA PLAN: 2016

- a. The project outputs will contribute to the following 11th Malaysia Plan Strategic Thrusts.

STRATEGIC THRUSTS (Mandatory)	
	Enhancing inclusiveness towards an equitable society
	Improving wellbeing for all
	Accelerating human capital development for an advanced nation
	Pursuing green growth for sustainability and resilience
	Strengthening infrastructure to support economic expansion
	Re-engineering economic growth for greater prosperity
GAME CHANGERS (If Applicable)	
	Unlocking the potential of productivity
	Uplifting B40 households towards a middle-class society
	Enabling industry-led Technical and Vocational Education and Training (TVET)
	Embarking on green growth
	Translating innovation to wealth
	Investing in competitive cities



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- b. The project outputs will contribute to the following 11th Malaysia Plan Key Focus Area (*please state the specific focus area*)

Focus area C: Conserving natural resources for present and future generations

Mid Year Progress Report 2017 approved by:

Name: Wong Chee Ching

Designation: Deputy Under Secretary

Biodiversity and Forestry Management Division, NRE

Date: 4 July 2017

WONG CHEE CHING
Deputy Under Secretary
Biodiversity And Forestry Management Division
Ministry Of Natural Resources And Environment