**Local Project Appraisal Committee (LPAC) Meeting**

**Sustainable Management of Biodiversity in Thailand’s Production Landscape**

**Local Project Appraisal Committee Meeting**

**24 June 2011 – 14.30-16.00 hrs, Meeting Room A, UNDP Thailand**

List of Participants

**Biodiversity-based Development Office (Public Organization), MONRE**

1. Mr. Apiwat Sretarugsa Executive Director
2. Ms. Rachai Cholsindusongkramchai Advisor
3. Mr. Udhai Thongmee Advisor
4. Mr. Suphasit Champawong Senior Manager
5. Ms. Orawee Sriboonlue, *Ph D* Business Development Officer
6. Ms. Chotika Dit-Amnat Secretary to Executive Director

**Office of the International Cooperation for Environment (OIC), MoNRE**

1. Ms. Kingkarn Kheawsa-ard Environmental Officer, Professional Level
2. Ms. Watcharee Poldechsthaporn Environmental Officer, Professional Level

**Office of Natural Resources and Environmental Policy and Planning (ONEP), MoNRE**

1. Ms. Patama Domrongphol Senior Environmental Specialist

**Department of Marine and Coastal Resources (DMCR), MoNRE**

1. Mr. Dhana Yingcharoen Director of Planning Division

**Department of National Parks, Wildlife and Plant Conservation (DNP), MoNRE**

1. Mr. Punya Sooksomkit Forest Technical Officer
2. Mr.Prasert Sornsathapornkul, *Ph D* Senior Forest Official, Acting Director, Biodiversity Management Office, Forest and Plant

Conservation Research Office

**Thailand International Cooperation Agency (TICA), Ministry of Foreign Affairs**

1. Ms. Hataichanok Siriwadhanakul Development Cooperation Officer
2. Ms. Duangkamol Vittayapitakvong Development Cooperation Officer

**Office of the National Economic and Social Development Board (NESDB)**

1. Mr. Montree Boonpanit Director, Agriculture, Natural Resources and Environmental Planning

**Bank of Agriculture and Agricultural Cooperatives (BAAC)**

1. Mr. Pongsak Chalermchutidet Vice President,

Product Marketing Strategy Department

1. Ms. Anongnart Chuerchan-ad Senior Development Officer

Product Marketing Strategy Department

**Department of Agricultural Extension, MOAC**

1. Ms. Orawan Vichailak Chief of Industrial Tree Group

**Institute of Small and Medium Enterprises Development (ISMED)**

1. Ms. Chothip Wisespongpand Acting Director

**Thailand Environmental Institute (TEI)**

1. Ms.Qwanruedee Chotichanathawewong, *Ph D* Assistant to the President
2. Ms. Pattara Srisutivirakul Research Officer Level 4
3. Ms. Uratchawee Unhalekhaka, *Ph D* Research officer Level 4

**Raks Thai Foundation**

23. Mr. Chanyudh Thepa Senior Programme Officer

**UNDP**

1. Mr. Yuxue Xue Resident Representative, a.i.
2. Ms. Piyachatr Pradubraj, *Ph D*  Programme Specialist, Environment Unit
3. Ms. Sutharin Koonphol, *Ph D* Programme Analyst, Environment Unit
4. Ms. Nittaya Mek-Aroonrueng Resource Management Associate
5. Ms. Nisakorn Puangkamalard Programme Associate, Environment Unit
6. Ms. Varaluck Thirawattanavong Finance Supervisor, UNDP APRC

**Introduction**

Mr. Yuxue Xue, Deputy Resident Representative and Acting Resident Representative of UNDP Thailand, Chair of the LPAC, welcomed the participants and gave brief opening remarks on the introduction and objectives of the LPAC, which are to collectively review and comment on the project document as well as its methodology of implementation, and eventually to endorse the project document.

The Chair highlighted that this project is in line with the next cycle of the UNDP Thailand’s Country Programme (CPD: 2012 – 2017), which gave an emphasis on enhancing environmental security and livelihood improvement.

Mr. Apiwat Sretarugsa, Executive Director of Biodiversity-based Economy Development Office (BEDO), added that this project would strengthen BEDO to fulfill its mandate in promoting sustainable utilization of biodiversity-based resources for income generation. He also thanked UNDP for support and partnership during the process of the project development and formulation.

**Presentation**

Ms. Sutharin Koonphol, Programme Analyst, Environment Unit, UNDP Thailand, gave a presentation on the project rationale and conceptual framework; objectives and expected outcomes; pilot products and pilot sites; budget allocation and project management arrangement.

This 4-year project is supported by the Global Environment Facility (GEF), with the Biodiversity-based Economy Development Office (BEDO), Ministry of Natural Resources and Environment, as the implementing partner. The total budget is USD 1.94 M from GEF, with USD 5.518 M in-kind co-financing from BEDO.

The project aims to strengthen national and local capacity for mainstreaming biodiversity into the management of ecologically important production landscapes by transforming the supply and market chain of biodiversity based products, through 3 key project components: (1) Building national capacity for support of Biodiversity Business; (2) Piloting Community-based Social Enterprises (CbSE) in valuable Eco-regions; (3) Mainstreaming Biodiversity Business into the supply chains of high-value consumer markets.

The pilot products are bamboo and marine products. The demonstration sites for bamboo products are Prachinburi and Kanchanaburi Provinces; while the demonstrations sites for marine products include Ranong and Phan Nga Provinces in Southern Thailand.

The project will be nationally – implemented (NIM) with BEDO as senior supplier and its Executive Director chairing the project board. The senior beneficiaries could include ONEP, DMCR, NEDP, MOAC, ISMED, BAAC, CSOs for example. The members of the project board will be finalized and designated during the project inception phase.

The project management unit will be led by the National Project Director – which will be designated from BEDO as part of their in-kind contribution. Three project personnel will be hired by the project budget including Project Manager, Project Coordinator, and Project Administrative and Finance Assistant.

The implementation team will be divided into 4 Task Forces in accordance with the project components and one cross cutting issue, namely: ***Task Force 1***: on Biodiversity Conservation and Rehabilitation; ***Task Force 2****:* on Community-based Social Enterprise; ***Task Force 3***: on Marketing of Biodiversity-based Products; and ***Task Force 4*:** Capacity Development for Biodiversity Business. A Technical Advisory Committee will be set-up to provide technical guidance and backstopping. UNDP Thailand and Asia Pacific Regional Centre will serve as the project assurance.

*Please Refer to ANNEX I for full details of the presentation.*

**Summary of Discussion**

Key discussion and comments are summarized as follows:

1. **BEDO’s presentation of the inception work plan**

Mr. Rachai Cholsindusongkramchai, BEDO Advisor, informed the meeting on the preparation to start the inception phase of the project implementation. As advised by the Treaty Department of the Ministry of Foreign Affairs, the project document would need to be submitted for cabinet acknowledgement as it concerns international cooperation, before it could be co-signed between BEDO and UNDP. BEDO is preparing the documents for submission, once the new cabinet is in place. It is expected that the project document will be signed by September 2011. In parallel, BEDO will prepare for the recruitment of the project personnel and the designation of the project board. The initial work plan for the project implementation was also presented (please refer to ANNEX 2).

1. **Balance between conservation and utilization**

2.1 A comment was raised if there would be a conflict of interest between commercialization and conservation and in BEDO’s roles and responsibilities (DMCR).

It was responded that BEDO is mandated to promote the sustainable utilization of biodiversity resources. It is important that BEDO is well –capacitated to implement policy tools and mechanism to facilitate the link between sustainable utilization and income generation. What could be the practical and realistic ways and means that the balance between conservation and commercialization can be stroke is essentially what the project aims to get at. The risk that market mechanism could create a perverse effect is reflected in the project document (Table 6, P. 45). The proposed mitigation measure is to put emphases on on the monitoring and evaluation mechanism in the project components (Outcome 2) to ensure that the increased revenues will be linked back to biodiversity conservation. In addition, a specific output on established good governance structure of social enterprise is added under Outcome 2.2 to ensure the business and conservation/ social balance.

2.2 There was a question on how the profit generated from supply chain development would be linked back to conservation of the natural resources base (Raks Thai).

It was clarified that the project envisages that the Community-based Social Enterprise would be the organization that will manage that link through the use of community revolving fund, which could be built on the existing one or creating a new one – depending on what works best in each specific locality. There will be a set of agreed rules and regulations on how much of the value-added income from biodiversity-based products would be allocated for the conservation and rehabilitation of the natural resources. A rigorous M&E system will be put in place to keep track on the measurable result of the ecosystem improvement.

2.3 A clarification was needed on the criteria of site selection whether the weight is given more to the community’s willingness participate in the project or on the market potential products. It was suggested that it is important that the communities have certain environmental awareness and conservation-conscious as a starting point (DNP).

It was explained that the two criteria are given equal weighting in the process of site selection; as they are both fundamental to the success of the project. With regard to the community willingness, the project seeks to build on the strength of communities that BEDO and other organizations have done some ground work in terms of community organizations and conservation awareness. Regarding the market potential of the products, the selected sites are based on the existing skills that they communities have in developing bamboo products; while for the marine products – the selected sites have potential to make direct link to the high-end hotels and resorts in the nearby areas.

1. **Project Components and Outcomes:**

3.1 A question was asked on how the project would ensure coordination among related agencies, as this seems to be very crucial for the project’s success. There is, more often than not, policy incoherence with regard to sustainable utilization and a lot of coordination would be needed to make pilot projects work on the ground (Raks Thai).

The response was that the project was designed bearing this policy incoherence very much in mind – as reflected in Outcome 1.2, which focuses on establishing collaboration and partner network including line agencies, NGOS, CBOS, as a mechanism for BEDO to facilitate the Biodiversity Business both the national level and the local level. The project hopes to enhance policy coordination, starting with a small group of concerned agencies relevant to what the project aims to do at each project site, and build the collaboration from there. At the national level, the project board would also serve as another platform for key agencies to interact and exchange for further policy coordination.

3.2 An ensuing question was if the line agencies sitting on the board project board would also be involved at the site level (DMCR).

It was explained that at each site - related agencies: local government organizations (for marine products), DMCR, Department of Agricultural Extension (for bamboo products), for example, will be engaged in the form of working committee to provide advice and collaboration. However, this will not be a formal setup in the form of site level sub-committee, as it could create a cumbersome project structure.

3.3 A question was asked about who will help link the community groups with the commercial market (BAAC).

It was elaborated that at the national framework, the project aims to enhance BEDO’s capacity to become a biodiversity business facilitator, which will help connect communities to the domestic as well as international markets. BEDO’s partners network, e.g. NGOs, CBOs or social enterprises could also help facilitate the links at the site level.

3.4 Further clarification was needed on the scale of the Community-based Social Enterprise: how big it is? and what would organizational structure be like? (Raks Thai).

It was explained that the concept of CbSE was intended to build on the existing structure of Community Enterprise which has been set-up across Thailand in accordance with the Community Enterprise Act (2003). So the scale and organizational structure envisaged is more or less the same. However, the CbSE as conceived in the project design will have a strong emphasis on its function in linking income generation to biodiversity conservation, improvement of entrepreneurial skills, and biodiversity conservation capacity.

1. **Linkages with other activities/ projects/ policies**

4.1 It was suggested that the project should look into making linkage with similar effort going on under the EU-supported GIZ project on the Economic of Ecosystem and Biodiversity (TEEB), which just started this year (ONEP).

The suggestion was noted with further elaboration that UNDP was aware of the TEEB development and would see how the coordination could be made, especially between the bamboo pilot sites in Prachinburi which is in the buffer zone area of the Khao Yai-Tab Lan National Park selected as one of the pilot sites for the GIZ-TEEB Project.

* 1. Another suggestion was made that project should seek to coordinate and collaborate with existing

community enterprises, saving groups, occupation groups in each pilot site, as much as possible to avoid duplication of efforts.

The suggestion was well-acknowledged with a note that the project aims to build on these groupings – and not to create a new grouping at the village level.

1. **Project Management Arrangement**

Further clarification was needed on how the Task Forces are linked to the Outcomes: as it was explained in the presentation that each Task Force would be responsible for the achievement of each of the 3 Outcomes; but there are 4 Task Forces and the responsibilities of each Task Force does not seem to be clear cut (DNP).

It was explained that the responsibilities of each Task Force are indeed not directly matched with each Outcome. For example, Task Force 1 on Biodiversity Conservation and Rehabilitation will work towards both Outcome 1 and Outcome 2 in building capacity both at the national level and community level on strengthening the M&E system for biodiversity conservation and rehabilitation. Task Force 4 on Capacity Building is very much cross-cutting and will be involved in all three outcomes. Further details on how the responsibilities will be allocated among the Task Forces could be found on page 68-69 of the project document.

**6) Clarification on budget allocation** 6.1A question was raised on what the budget category of ‘contractual services’ means, as there seems to be a large amount of budget is allocated for this category; and how it differs from ‘local consultant’ category (ONEP).

It was elaborated that ‘contractual services’ is a UNDP budget terminology that encompasses the subcontracting to institution to carry out some activities of the project components; as well as organizing workshops and trainings. When the project is to engage individuals to provide technical inputs, the budget on this will be under ‘local consultant’ category. Further details can be found on the budget notes on page 62-65 of the project document.

6.2 There was a comment that it was not clear how the budget would be channeled for community capacity building and supports; as most of the budget seems to be for hiring consultants and other activities (TICA).

The clarification was that this is due to the budget categories that may not spell out very clearly on the activities. The meeting was asked to refer to the logical framework, especially to Outcomes 2.1-2.3 (Pp.36-38) which provide details on how the process of community capacity building will be carried out, starting with strengthening the community capacity in sustainable production, enabling the establishment of the Community-based Social Enterprises; and enhancing human and technological capacities in producer communities.

1. **Editorial:**

A question was asked if the project timeframe is from 2011 to 2015 – as put in the presentation or from 2010 to 2014, as appeared on P. 2 of the project document (ONEP).

It was confirmed that the project duration will be from 2011-2015; the correction would be made to the project document accordingly

**Conclusion**

Mr. Yuxue Xue, the Chair of the LPAC, concluded that as the project document was well-researched and the project design was logical.

The project team should further revise the document to highlight the importance of the above issues raised during the discussion particularly on the following points:

* Ensuring the right balance between conservation and income generation: rigorous M&E and check and balance system, as well as capacity building for community-based social enterprises;
* Ensuring linkages with existing projects and policies, especially at the pilot sites;
* Providing further clarification on the Community-based Social Enterprises: its setup and operational mechanism

All comments/suggestions discussed at the meeting would be reflected and incorporated into the project inception report, which is considered a key document to guide the project implementation.

Mr. Apiwat Sretarugsa, BEDO Executive Director, took the opportunity to thank all participants for their useful and constructive comments, adding that further consultation with key partners will be done during the beginning of the inception phase.

The meeting closed at 16.00 hrs.

**Attachments**

Annex 1: Power Point Presentation on the Project

Annex 2: Draft Inception Work Plan and Implementation Plan