



Project Title: Sustainable Tourism Recovery Project

Project Number: 00130090

Implementing Partner: United Nations Development Programme (UNDP) Malaysia

Start Date: 1 October 2022 **End Date:** 30 June 2024 **PAC Meeting date:** 20 July 2022

Brief Description

The project is designed to address several challenges affecting the tourism industry in three specific geographical areas of Malaysia (Mersing, Setiu and Manjung). It centres on the Government's ambition to address the impacts of the COVID-19 pandemic on the domestic tourism sector by rebuilding the resilience of destination communities and MSME businesses. This is in line with the 12th Malaysia Plan, in particular, "Theme 1: Resetting the Economy, Chapter 3, Strategy A5: Re-energising the Tourism Industry"; Chapter 5, Strategy E2: Accelerating Socioeconomic Development of Orang Asli; Chapter 8, Strategy B3: Ensuring Sustainable Utilisation and Benefits Sharing; Chapter 11, Strategy A1: Providing an Enabling Environment for the Growth of the Digital Economy. Simultaneously, the project also encourages the desired transformation towards more environmentally and inclusive tourism as advocated in Malaysia's national ecotourism plan (2016-2025) and National Tourism Policy (2020-2030).

The project will build the capacities of different target groups in the tourism ecosystem, increase awareness on sustainability and improving cohesion among stakeholders (including federal, state and local authorities, NGOs and communities), as well as develop pilot ecotourism products and services for further replication in other areas. These activities are informed by a situation analysis that encompasses current and emerging trends and practices, impacts of climate change and tourism industry, as well as the political and international environment in which the tourism sector operates.

Through these activities, the project seeks to achieve the following two outcomes at each of the three locations:

- Resilience and risk management of micro, small and medium enterprises & tour operators was increased; and
- A sustainable and responsible ecotourism framework has been formulated and piloted at the community level.

Successful outcomes in the project locations will provide a model for equitable and sustainable ecotourism in Malaysia. This will contribute toward the longer-term goal of shifting the tourism industry in Malaysia from a mass tourism paradigm to a targeted ecotourism strategy—with benefits for the environment and for local communities in tourism destinations—and creating added value for all along the tourism value chain, especially MSMEs.

Funding for this project was announced by the Minister of Finance on 29 October 2021, as part of Budget 2022, "224. ...the Government will also allocate RM14 million to the United Nations Development Programme to support their efforts in conducting various initiatives such as creating safe tourism and restoration activities in Mersing, Johor and Manjung, Perak."

Contributing Outcome (UNSDCF/CPD, RPD or GPD):

Prosperity - Malaysia is making meaningful progress towards an economy that is inclusive, innovative and sustainable across all income groups and productive sectors

Planet - Environmental sustainability and resilience are mainstreamed as priorities within the national development agenda, across all sectors and levels of society

Peace - Malaysia has strengthened democratic governance and all people living in Malaysia benefit from more cohesive society, strengthened governance and participation

Indicative Output(s) with gender marker²: GEN 2

Total resources required:

USD 1,511,879

Total resources allocated:

UNDP TRAC:

Donor:

Government:

USD 1,295,896.33

In-Kind/joint funding:

USD 215,983

Unfunded:

-

*UN exchange rate used as per 1 October 2022:
USD 1 = MYR 4.63

Agreed by (signatures)¹:

UNDP

Alan Gunn, OIC

Date:

30 September 2022

¹ Note: Adjust signatures as needed

² The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

TABLE OF CONTENTS

| | |
|---|-----|
| ABBREVIATIONS | 4 |
| 1. Development Challenge..... | 5 |
| 2. Strategy | 13 |
| 3. Results and Partnership..... | 25 |
| 4. Project Management..... | 30 |
| 5. Results Framework | 32 |
| 6. Monitoring And Evaluation | 36 |
| 7. Multi-Year Work Plan | 38 |
| 8. Governance and Management Arrangements..... | 43 |
| 9. Legal Context..... | 46 |
| 10. Risk Management | 46 |
| 11. Annexes | 50 |
| Annex 1: Project Quality Assurance Report..... | 50 |
| Annex 2: Social and Environmental Screening..... | 59 |
| Annex 3: Risk Analysis..... | 74 |
| Annex 4: Summary of Gender Equality Issues and Approaches | 77 |
| Annex 5: Stakeholder Engagements | 78 |
| Annex 6: Analysis of Destination’s Strength, Weaknesses, Opportunity and Threat (SWOT)..... | 81 |
| Mersing | 81 |
| Manjung | 82 |
| Setiu..... | 83 |
| Annex 7: Capacity Assessment | 84 |
| Annex 8: Project Board Terms of Reference and TORs of Key Management Positions | 84 |
| Annex 9: Timeline Guidelines For Activities Implementation..... | 87 |
| Progress Reporting Templates | 88 |
| Final Report Template..... | 105 |

ABBREVIATIONS

| | |
|----------------|--|
| 12MP | Twelfth Malaysia Plan |
| APR | Annual Progress Report |
| AWP | Annual Work Plan |
| BRH | Bangkok Regional Hub |
| CBO | Community Based Organisation |
| CPAP | Country Programme Action Plan |
| CSO | Civil Society Organisation |
| EPU | Economic Planning Unit |
| ESMF | Environmental and Social Management Framework |
| GDP | Gross Domestic Product |
| GMS | General Management Services |
| GPN | Global Policy Network |
| GSTC | Global Sustainable Tourism Council |
| HACT | Harmonized Approach to Cash Transfers |
| M&E | Monitoring & Evaluation |
| MDM | Majlis Daerah Mersing (Mersing District Council) |
| MOF | Ministry of Finance |
| MOTAC | Ministry of Tourism, Arts and Culture |
| MPM | Majlis Perbandaran Manjung (Manjung Municipal Council) |
| MSME | Micro, Small and Medium Enterprises |
| MYPR | Mid-Year Progress Report |
| NEP | National Ecotourism Plan |
| NGO | Non-Profit Organisation |
| PDM | Pejabat Daerah Mersing (Mersing District Office) |
| PDS | Pejabat Daerah Setiu (Setiu District Office) |
| PMU | Project Management Unit |
| POPP | Programme and Operations Policies and Procedures |
| PSC | Project Steering Committee |
| STC | Sustainable Tourism Committee |
| STMDCG | Sustainable Travel Mersing Destination Coordination Group |
| TRAC | Target for Resources Assignment from the Core |
| UN | United Nations |
| UNDP | United Nations Development Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNWTO | United Nations World Tourism Organisation |



1. DEVELOPMENT CHALLENGE

Introduction

1. The tourism industry in Malaysia employed 3.6 million in 2019 (about 23.6% of Malaysia's total employment). In 2019², Malaysia received about 26.0 million arrivals, generating approximately RM 86.0 billion in revenue. Conversely, Malaysian tourists spent more than RM 40.0 billion on international travel. In total, tourism contributed RM 103.0 billion to Malaysia's GDP in 2019³.
2. The COVID-19 pandemic and consequent closing of borders and other movement restrictions crippled the global tourism industry. In Malaysia, the tourism sector, as a non-essential business, was not permitted to operate during the height of the pandemic in 2020 and mid-2021. Even when restrictions were gradually eased at various points during the pandemic, tourism demand remained slow. Domestic tourists displayed precautionary behaviour while international borders remained closed except for the travel bubble pilot initiated by the Ministry of Tourism, Arts and Culture (MOTAC) and other essential businesses subjected to the special approval from the Director-General of the Malaysian Immigration Department (JIM) until the international border was officially open in April 2022⁴.
3. This resulted in a 72.0% reduction in tourism's direct contribution to Malaysia's GDP in 2020 as expenditures by international and domestic tourists declined by 84.6% and 58.3% respectively⁵. An estimated 100,000 persons in the industry were retrenched while others were subjected to unpaid leave or pay cuts⁶. Many businesses, unable to cope with operating and payroll costs, closed. Former employees and microentrepreneurs ventured into other forms of supplementary work to sustain livelihoods. The impact of COVID-19 on tourism sector has been extensive, affecting the whole value chain.
4. In addition to the immediate economic impacts of COVID-19 on the tourism industry, the disruptions also surfaced pre-existing issues, elaborated in the following sections. The rebuilding of the tourism sector is an opportunity to address these issues and establish a stronger foundation for the development of this sector.

Tourism and the growth paradox

5. Based on the premise that increasing tourism traffic leads to increased employment and economic opportunities, Malaysian tourism destinations such as Mersing and Manjung have focused on increasing the number of tourists, especially internationals. The COVID-19 pandemic served as a reminder that tourism, while known to be highly resilient to crises, can

² Malaysia Tourism Statistics in Brief, Tourism Malaysia. Accessible at: <https://www.tourism.gov.my/statistics>

³ Tourism Dashboard, Department of Statistics Malaysia. Accessible at: https://www.dosm.gov.my/v1/index.php?r=column/cthree&menu_id=RTJvYXZxMIJoSEdYcG5jbXpPL0xJdz09

⁴ KLN (2022) Malaysia to Reopen International Borders on 1 April 2022. Accessible at: https://www.kln.gov.my/web/jor_amman/news-from-mission/-/blogs/malaysia-to-reopen-international-borders-on-april-1

⁵ Tourism Dashboard, Department of Statistics Malaysia. Accessible at: https://www.dosm.gov.my/v1/index.php?r=column/cthree&menu_id=RTJvYXZxMIJoSEdYcG5jbXpPL0xJdz09

⁶ Matta (2021) Surviving the Impact of Covid-19: Tourism industry waits to cruise out of the doldrums. Accessible at: <https://www.matta.org.my/news/08026-surviving-the-impact-of-covid-19-tourism-industry-waits-to-cruise-out-of-the-doldrums>

still be heavily affected by them, highlighting an over-reliance on international visitors in most destinations. The impact of the crisis has not only been on tourism but also on related activities along the value chain.

6. Domestic and international travellers tend to arrive in increasing numbers for short stays (weekends) and flock to the same places, leading to problems such as overcrowding, and increased pressure on public services and infrastructure. In Pangkor Island, visitor numbers can peak at up to 20,000 persons over one weekend on the island of about 12,000 residents. Despite the problems of traffic congestion and inadequate public facilities and utilities on weekends and during school holidays, there is still a desire to increase tourist traffic to Pangkor Island and Teluk Batik (a beach destination on the mainland). To this end, a tax-free zone has been set up to attract more tourists to Pangkor Island. In Setiu, access is more limited for international visitors. International visitors only comprising an estimate of about 10.0% of all tourists (no pre-COVID visitor data). This minimized economic disruption there during the COVID-19 pandemic where they could still maintain a steady level of domestic visitors when interstate travel was eased. Off the coast of Mersing, for example on Pulau Besar, existing public facilities can accommodate up to 400-500 tourists, but nearly 700-800 tourists now (May 2022) visit on weekends. Hence, public facilities such as parking spaces on the Mersing mainland are becoming an issue of visitor's management for the local authority.
7. In several major international destinations (Barcelona, Amsterdam, Venice, etc.) there is increasing realisation of the importance of controlling visitor flows. The growing adversity towards mass tourism, sometimes called tourismophobia, often results from a lack of regulation or management of visitor flows. In all project locations, tourism statistics and data analysis for tourism planning is limited and little concern has been given so far to the carrying capacity of the most fragile sites. When data is limited, it is difficult to detect problems and dissatisfaction among both tourists and locals before they reach a tipping point, as was experienced in many Southeast Asia and European destinations before the pandemic (Thailand, Philippines, Pulau, etc.).
8. Visitor management is a crucial tool in ecotourism areas, as increasing levels of use can harm the quality of the recreational experience as well as natural resources. To meet the demands of visitors while respecting natural assets, careful and attentive management is needed. Therefore, there's a need for the local authorities and communities to monitor visitor numbers, recreational activities, and behaviour, to manage stakeholder expectations and shape motivations toward being more responsible. In addition, codes of conduct and updated policies can help facilitate and accelerate the transition to the objectives of national strategies and policies.
9. The unchecked tourism development has both financial and regulatory implications for the local authority. Waste management costs at Pangkor Island run into the millions while Mersing local authorities grapple with a spike in unlicensed boat and tour operators whose compliance with safety and security requirements is not guaranteed.
10. The issue of over-tourism was temporarily mitigated by the COVID-19 pandemic. As a result of the movement control order, many hotels and other tourism stakeholders ceased operations in each of the project areas. Nonetheless, as the tourism sector reopens, the aim is to quickly return to pre-crisis visitor volumes—along with the negative impacts on local communities, environment, and economic resilience. While this is understandable especially after the economic losses the industry has faced, there is a window of opportunity in the

rebuilding of the tourism industry to set it on a stronger and more sustainable footing by pivoting away from the mass tourism model.

Gaps between tourism planning and implementation

11. In general, the narrow focus on increasing tourist numbers is problematic and creates problems and negative effects that governments tend to find difficult to manage. The lack of tracking systems on tourist entry meant that official tourist landings on the islands were often lower than the actual numbers, and there was lost revenue from the entrance/park/island fee. In the absence of annual surveys, tourist statistics beyond the number of arrivals are unknown/unexplored. Transparency, significant human resources and funding are required to support the sometimes-exponential growth of the industry. However, due to ad hoc development and local capacity constraints, the process of decentralising and implementing tourism policies and strategies is often more complex, costly and slower than envisaged. This is exemplified in Malaysia with:
 - a. A limited implementation of the National Ecotourism Plan (2016-2025) at destinations; and
 - b. Stagnant tourist arrivals between 2016 and 2019 which have been associated with deteriorating competitiveness due to the lack of product development and poor maintenance of tourist attractions.
12. Among other things, the opportunities arising from the development of economic activities other than tourism (poultry farms, fish and shrimp farms, etc.) jeopardize the prospects for the development of ecotourism activities, especially in Manjung (via pollution of rivers, invasion of flies, etc.). It is unclear who leads the implementation of the National Ecotourism Plan (2016-2025) at the district level—which notably defines each of the project areas as future ecotourism clusters—and tracks the progress made. The implementation of the NEP has largely been described as the responsibility of the federal government. The "Destination Coordination Groups" encouraged in the NEP have not been established in Manjung and Setiu. Only Mersing has recently (2019) seen a federation of public and private stakeholders through the creation of Sustainable Travel Mersing: Destination Coordination Group⁷ (STMDCG), an organisation set up under the leadership of Mersing Local Council (MDM) whose objective is the adoption of the Global Sustainable Tourism Council (GSTC) sustainability criteria for destinations. The STMDCG is a multistakeholder composed of diverse key stakeholders from the government, private sector, NGOs and local community to co-create sustainable, collectively managed tourism with communities and businesses thriving alongside healthy ecosystems. Since the launch of the 'Mersing Sustainable Destination' initiative by the Mersing District Council in September 2020, the group has been working to ensure the initiative meets the Global Sustainable Tourism Council (GSTC) destination standards and aims for the district to be accredited by 2024.
13. Across Malaysia, some implementation has also not been consistent with the NEP which encourages community involvement, participation and ownership of ecotourism initiatives. In Manjung, community conservation of turtle hatcheries had been in place and working well for years—with increased turtle landing and nesting—but has been discontinued by the state fisheries department. Visitors are charged permit fees to enter protected forests, used as a mechanism to control traffic into environmentally sensitive areas, but no actors (apart from

⁷ Sustainable Tourism Mersing Destination Coordination Group. Accessible at: <https://mersing-kita.com/>

the discontinued community conservation initiative) have introduced active rehabilitation or conservation programmes for visitors to partake in.

14. Other issues of planning and implementation gaps at the project sites pertain to inadequate accessibility by public transportation, inadequate utilities (resulting in poor mobile and data connectivity, low water pressure, etc.) the underdevelopment of community-based attractions and a lack of local tourism structures (i.e., cooperative) that distribute the gains from tourism within the community.

Tourism development with minimal integration of local culture and traditions

15. Tourism destinations in Malaysia do not fully capitalise on local culture, arts and heritage products, failing to entice tourists in appreciating Malaysian culture. Of the inbound and domestic expenditures in 2019, less than 3% and 2% respectively were spent on culture, sports and recreational services⁸. The main travelling purpose is overwhelmingly for visiting relatives and friends in Johor (89.6%), Perak (67.9%) and Terengganu (76.9%), while holiday and leisure purposes make up only 5.4%, 24.9% and 19.7%, respectively^{9 10 11}.
16. None of the project areas makes indeed sufficient use of local culture, arts and heritage products, resulting in missed opportunities for tourists to appreciate Malaysian culture. Over time, the job prospects of tourism lose appeal to local youths leading to outmigration. There are community-based activities (e.g. those provided by KOSWEB, ECOSWED and Sahabat Setiu) but these remain limited and not leveraged in tourism marketing and communication. Many local-based tourism initiatives are dependent on NGOs, associations and government's support at these destinations.
17. As a consequence, local economies have not been able to capitalise on the expansion of tourism to open up new markets, including at the national level, and tourism has remained an import sector for products rather than a platform for experimentation for local artisans and producers (i.e. value chain approach). For example, souvenirs sold to tourists at the project sites are mostly imported from China, Thailand and Indonesia. Whether it is the lack of confidence of foreigners and their customers in local products, or the impact of seasonality on the interest or ability of local producers to supply tourism businesses, the range of factors leading to economic missed opportunity is significant. For example, the Terengganu sweet melon, considered a "premium" melon (RM10/kg), is neither sold directly to tourists nor used as a dessert in hotels and resorts. There are limited souvenirs which are locally produced. Though in Mersing, local products are more inclined towards food products and similar to Manjung, marine processed products. In addition, there is little time left to pass on the skills of the artisans to a new generation, but either there has been a lack of awareness and interest (Manjung) or young people prefer to migrate to urban areas for better job opportunities (Setiu and Mersing).
18. Innovation has remained limited and mainly driven by NGOs, and replication of similar products and services has become the norm (in terms of accommodation, food and activities offered around natural areas in all three project areas – Manjung, Setiu and Mersing). Lack

⁸Tourism Dashboard, Department of Statistics Malaysia. Accessible at:

https://www.dosm.gov.my/v1/index.php?r=column/cthree&menu_id=RTJvYXZxMIJoSEdYcG5jbXpPL0xJdz09

⁹ Department of Statistics Malaysia (DOSM), 2019. Domestic Tourism Survey (Johor).

¹⁰ Department of Statistics Malaysia (DOSM), 2019. Domestic Tourism Survey (Perak).

¹¹ Department of Statistics Malaysia (DOSM), 2019. Domestic Tourism Survey (Terengganu).

of diversification reduce attractiveness of tourists destinations which needs to be addressed as travellers tend to share their holiday experiences on social media¹² and being with locals or, conversely, being with international visitors. High tourist satisfaction that is publicly shared by an influencer or family and friends appears to be reliable information that can raise the interests of other travellers based on the Tourism Malaysia survey in 2020¹³.

19. During the site consultation, the team uncovered several challenges faced by communities in Manjung, Setiu and Mersing. For example, in Manjung, local artists recounted difficulties in getting permits approved to use public spaces to promote local art and art-based products. Local communities have little understanding and appreciation of the arts that are produced. In Setiu, locals have not fully explored their assets (e.g., local fisheries catches) for possibilities of turning them into tourist attractions while it is clear that demand for a ‘rustic village life’ tourism experience exists in this area—an “off the beaten track” appeal for international tourists. In Mersing, the local communities consist of a demographically ageing group, as the younger generation has migrated out of the district/state to find work opportunities, accelerating the loss of traditions¹⁴.
20. Nonetheless, each region has potential and individuals committed to the promotion of culture and the arts. In Manjung, the annual festivals—Festival of Art (Pesta Karya) and Festival of Nature (Pesta Nature)—attract about 800-1,000 visitors and are organised by a youth-led art collective in partnership with a conservation group. In Setiu, there is potential to explore tourism opportunities for planting paddy and catching freshwater snails, as is being offered in the neighbouring district of Besut. In Mersing, the Zapin dance, the Rumi (Indian musical instrument), the lion dance, and the tekpi (a performance using a traditional weapon) all provide opportunities to entertain visitors and encourage inter-racial participation in culture and arts. However, these potentials lay dormant and undeveloped. Much support and coordination are needed from local authorities and tourism stakeholders to develop attractions in this aspect.
21. Education, environmental and historical awareness or recreation for the public at cultural, natural sites and heritage sites are largely unexplored. Practices for consulting with the local community in developing tour packages by tour operators need to be strengthened in a way that is also protective of the privacy and traditional lifestyle of the local community. At the same time, there is low awareness about protecting the traditional lifestyle of the local community in their traditional context—instead ideas of cultural products often conform to the demands of tourists in some destinations (i.e., hourly dances, private rituals demonstrated in restaurants and presented as theatrical performances, etc.).
22. Additionally, promotional activities via digital platforms have not been fully leveraged in capturing the tourist segment drawn by local cultures and traditions. This includes making the destination brand known to the public and stakeholders in the destination's tourism sector. Thus, local ecotourism resource centres have enormous potential to promote culture, heritage and support the transition towards the sustainable development of tourism.

¹² <http://mytourismdata.tourism.gov.my/wp-content/uploads/2020/11/Survey-on-Domestic-Travel-Since-RMCO-ver-5.pdf>

¹³ <http://mytourismdata.tourism.gov.my/wp-content/uploads/2020/05/Domestic-Traveler-Survey-after-MCO-4.pdf.pdf>

Impacts on natural assets

23. There are several examples in Malaysia where the destruction or pollution of natural assets have undermined their attractiveness to high-value tourists that seek to explore intangible travel experiences that are rooted in nature and culture. This creates a vicious cycle where environmental destruction reduces tourism revenues, which further affects the financing of protected area maintenance and management. The once pristine Tasik Kenyir (Terengganu district) is no longer recommended as a tourist attraction due to the deteriorating quality of Sungai Lasir as a result of logging activities in Hulu Terengganu forest reserve. Since March 2017¹⁵, Pulau Sembilan in Manjung—which was made famous due to its blue bioluminescent phenomena—was closed to tourists indefinitely to rehabilitate the environment. Unregulated tourism in the area disrupted the natural flora including the bioluminescent phenomena. Pulau Mawar in Mersing was closed due to marine debris and waste management issue, though this has just improved with the effort and supervision of Mersing Local Council (MDM). It is critical that natural assets at the project sites are protected, both to protect the environment and to safeguard tourist attractions. Threats may come from both the tourism industry itself or other economic activities at these locations.
24. Without proper planning and controls, the tourism industry can create water and energy shortages, and degradation of water supplies and ecosystems. This is especially true under mass-tourism strategies where the ecological carrying capacity of tourist locations is not properly considered. For example, due to loss of natural habitat, wildlife (e.g., monkeys, wild boars, etc.) have become a threat to tourists and residents in the northern part of Manjung.
25. At all three project locations, there is a lack of information for both visitors and operators, including a lack of visitor centres, narratives and signage. This is a missed opportunity not only for pointing out tourist attractions (e.g., the Setiu wetlands), but also for raising awareness of the destination's environmental assets and the behaviours needed to preserve them. This lack of awareness extends to tourism operators. For example, many tour/boat operators encourage fish-feeding activities that are harmful to the ecosystem and do not brief tourists on behaviours necessary to preserve environmental assets (e.g., to avoid stepping on live corals, proper waste management, etc.). This also impacts local communities at the tourism destination who have to deal with the consequences of waste and environmental degradation.

A new paradigm: Climate change and growing unexpected crises

26. Climate change and consequent environmental crises are changing travel behaviour and expectations. The tourism sector is not only vulnerable to socio-economic crises (such as a global pandemic like COVID-19), but also increasingly to natural disasters of climatic origin (storm surge, sea level rise and sea surface temperature). Recently, in December 2021, intense rainfall resulted in the worst floods seen in decades, affecting at least one district in every state. Such extreme weather events will become more frequent and more intense due to climate change.
27. As coastal areas, the project sites and other tourists attractions in Malaysia are vulnerable to monsoon storms and flooding. The coastal districts of Mersing and Setiu were affected by the 2021-2022 floods, which have become a regular feature of the destinations. During the

15 <https://www.thestar.com.my/news/nation/2021/04/23/blue-hue-pulau-sembilan039s-glowing-039tears039-back-to-dazzle-visitors---but-island-stays-closed-for-now>

floods between January and March 2022, Mersing and Setiu evacuated about 900 and 1,380 people respectively. The increasingly unpredictable weather not only affect the planting and harvesting seasons (agriculture is an important economic activity at some of these destinations), but also reduces the calendar window for tourism.

28. New tourism packages need to consider adaptability to climate change and develop products and services that can be safely enjoyed year-round. This requires a step-by-step assessment of the value chain to enable adaptation to different risk scenarios, and to raise awareness among the public and local residents of the importance and benefits of environment conservation and more responsible forms of tourism (e.g., ecotourism).
29. Destinations must develop an overall disaster risk reduction and resilience planning process. Although some actions have been pre-identified during the initial project development phase, destinations lack appropriate strategies to build the capacity of local actors. Risk-reduction planning is led by the local authorities in each project location. Therefore, continuous consultation with local authorities is necessary to avoid overlaps in measures to address risks and increase resilience of local actors (e.g., contingency planning, risk mitigation and management, emergency assistance or safety information and advice).

Women and the economy

30. Today, the tourism economy supports women by supplementing their income from other self-employed work (i.e., agriculture, traditional knowledge). In Kampung Mangkuk, Setiu, for example, women are adding value to the economy by processing and selling marine products at a higher profit margin than if they only sold the raw ingredients¹⁶. Another example is the Orang Asli community in Kampung Tanah Abang (Mersing), which is already organised as a cooperative and is planning to venture into tourism activities through tourist packages that offer guided walks, accommodation in traditionally-designed chalets, traditional meals and experiential activities making handicrafts. Engaging the local tourism value chain and empowering women entrepreneurs will create added value for all segments of the communities around the target tourism sites.
31. The economic shocks to the tourism industry have been felt at the *kampung* community level. Women are especially affected, as they are over-represented at the lower rungs of the tourism economic chain, running micro-enterprises that are dependent on the health of the overall tourism sector.
32. As in Annex 4: Summary of Gender Equality Issues and Approaches, even though women are over-represented in micro-enterprises (making up to 70.0% of the members of small business associations on Pangkor island), they are under-represented in leadership and decision-making roles (making up less than 25.0% of leadership in the same business associations). Similarly, women are frequently overlooked in membership selection of “Village Development and Safety Committees” (JPKK). As a result, women’s issues and perspectives may be overlooked or deprioritized. For example, in focus group discussions, women reported that they lacked spaces for women to enjoy recreational activities together and enable them to exchange and pass on craft traditions to younger people.

16

http://eprints.utm.my/id/eprint/61457/1/NorhazlizaAbdHalim2014_WomenParticipationinRuralDevelopmentParticularly.pdf

Skills required for post-pandemic recovery and ecotourism

33. An ADB survey¹⁷ found that MSMEs focused on e-commerce, the digital economy and e-learning reported higher revenues during the COVID-19 movement restrictions. As an example, UNDP's e-commerce pilot in remote villages of Moyog and Pagalungan in Sabah during the height of the pandemic in 2020 demonstrated the feasibility of rural e-commerce to strengthen community resilience through increased savings and cashflow¹⁸. The introduction of digital solutions to those communities has overcome the barriers to market access and costs associated with product inventory management. Accomplishing this requires building skills in business model development, financial management, human development, and leadership for effective business continuity management strategies.
34. Local communities are best placed to understand the opportunities and challenges to the development of an ecotourism sector in their locality (and local women are best placed to ensure that development is gender-responsive too). However, they need help understanding outsiders' expectations in terms of tourism services, especially to attract tourists looking for immersion rather than entertainment. Therefore, creating community-based ecotourism experiences does not require much financial investment in terms of assets, but rather in terms of developing appropriate services and in linkages with other market segments and players with alternative business models. Training materials for dealing with outsiders (reception and visitor services) is also necessary. It is also important to identify traditional handicraft or ecotourism activities linked to the daily life of local communities and likely to interest and palate of foreign and national visitors.
35. Nature-based tourism, related services and excessive demand can result in increased waste, noise and air pollution, which create pressure on local resources (waste management costs, access to water, energy and food). A change of behaviour is therefore needed among both visitors and community, including entrepreneurs. On the demand side, local tourists represent an opportunity in terms of revenues¹⁹ especially with the demand for domestic travel after the pandemic²⁰. However, they also pose challenges in terms of the carrying capacity of natural sites and the management of tourist flows and their consequences (waste production, pollution, etc.) during weekends and school holidays. On the supply side, actors in the tourism value chain need to understand their role in limiting their impact and that of their customers through communication and a series of actions aimed at limiting sources of plastic pollution, raising awareness among their suppliers and employees, reducing water and electricity consumption, etc., and act accordingly. Awareness-raising products, activities (campaigns, events, etc.) and tools (signages, billboards, etc.) are crucial in addressing this challenge.

17 <https://asiafoundation.org/wp-content/uploads/2021/03/Enduring-the-Pandemic-Surveys-on-the-Impact-of-Covid-19-to-the-Livelihoods-Of-Malaysian-MSMEs-Workers-.pdf>

18 <https://www.my.undp.org/content/malaysia/en/home/blog/2021/e-commerce-for-rural-development--a-response-to-covid-19-recover.html>

19 Before COVID-19, outbound tourism expenditure by Malaysians was RM44.8 billion in 2019 https://www.dosm.gov.my/v1/index.php?r=column/cthree&menu_id=RTJvYXZxMIJoSEdYcG5jbXpPL0xJdz09

20 71% of respondents preferred to travel domestically rather than internationally after COVID-19. <http://mytourismdata.tourism.gov.my/wp-content/uploads/2020/05/Domestic-Traveler-Survey-after-MCO-4.pdf.pdf>

Fragmented responses to sustainability in tourism

36. Sustainability commitments towards a more responsible and sustainable industry are indeed quite heterogeneous, including cases of greenwashing where, as an example, any nature-based activity—including fishing or wildlife feeding—takes the name of ecotourism (e.g., marketing from homestays in Pangkor Island and Mersing Islands). Despite an interest in adopting GSTC destination sustainability criteria by 2025 in Mersing, sustainability initiatives are limited because of “resource constraints” and a perception that responsible products incur extra costs for operators and visitors. Companies, destinations, and travellers need to be more aware of and held accountable for their impact. Currently, in the project areas, there is little (Mersing) or no (Setiu and Manjung) organisation of the different actors and organisation of women in a collective approach, including for marketing purposes and to limit visitor flows. In Manjung, a “Teluk Batik experiment” without bins was conducted, where tourists were expected to remove the waste they brought with them. In a one-year pilot project, most of the bins were removed from the area and tourists were informed about the practice. The campaign was generally well-received, but there were also cases of littering.
37. Good governance²¹ will be a fundamental building block for progressive tourism development that prioritises community and nature. Since no single stakeholder group is responsible for generating economic results or preserving the natural and cultural heritage of a destination, a collaboration between stakeholders is necessary to catalyse the change needed to develop responsible forms of tourism such as ecotourism products, activities and governance.

2. STRATEGY

38. “Sustainable Tourism Recovery Project”, is funded under Malaysia’s Budget 2022 measures – Initiative 3 Community Empowerment to address the impacts of the COVID-19 pandemic on the domestic tourism sector. It aims to complement existing government-led initiatives by focusing on building the resilience of destination-based communities and MSME businesses through piloting interventions. The project takes place in 3 district ecotourism cluster destinations including its surrounding areas based on consultation with federal, state and respective local authorities namely:
- i. Mersing, Johor
 - ii. Manjung, Perak
 - iii. Setiu, Terengganu
39. The designation of these ecotourism clusters was made, based on the list of 60 ecotourism clusters proposed in the National Ecotourism Plan (2016-2025), using the following criteria:
- Identified in the National Ecotourism Plan (2016-2025), this is to ensure the project align with national plans and strategies;
 - Presence of local partners of past or present UNDP projects or Small Grants Programme – Global Environment Fund (SGP-GEF);
 - Contains established tourism sites/activities;
 - Strategically located to bring spillover benefits to surrounding tourism clusters or value chain; and

²¹ Ten key criteria of good governance for equitable and sustainable development include public participation, consensus orientation, strategic vision, responsiveness, effectiveness, efficiency, accountability, transparency, equity and rule of law.

- Consists of multidimensional development challenges that can benefit from the integrated-SDG localization approach and area-based programming.

40. In addition, the project wants to support the strategic direction of the National Tourism Policy (2020-2030) to engage in a transformation process towards a more competitive, sustainable and inclusive industry in line with the UNSDGs. Therefore, the basis for the development of the project's activities are:

- National Tourism Policy (2020-2030)
- National Ecotourism Plan (2016-2025)
- Country Programme Document 2022 – 2025 between Government of Malaysia and UNDP
- Country Programme Action Plan 2016 - 2023 between Government of Malaysia and UNDP
- 2030 Agenda for Sustainable Development

41. To promote the importance of environmental preservation and minimise negative impact on the environment, the project will ensure as best possible that the activities are ecotourism based in line with SDG. The definition of ecotourism is adopted from United Nations World Tourism Organisation (UNWTO)²² which have the following characteristics:

- i. All nature-based forms of tourism in which the main motivation of the tourists is the observation and appreciation of nature as well as the traditional cultures prevailing in natural areas.
- ii. It contains educational and interpretation features.
- iii. It is generally, but not exclusively organised by specialised tour operators for small groups. Service provider partners at the destinations tend to be small, locally owned businesses.
- iv. It minimises negative impacts upon the natural and socio-cultural environment.
- v. It supports the maintenance of natural areas which are used as ecotourism attractions by:
 - Generating economic benefits for host communities, organisations and authorities managing natural areas with conservation purposes;
 - Providing alternative employment and income opportunities for local communities;
 - Increasing awareness towards the conservation of natural and cultural assets, both among locals and tourists.

42. In selecting Community-Based Ecotourism (CBET) Villages, the following criteria were used as guidance:

Feasibility

- Project feasibility
- Interventions with potential ecotourism characteristics

²² United Nations World Tourism Organisation (UNWTO) definition of ecotourism (Ecotourism and protected areas). Accessible at: <https://www.unwto.org/sustainable-development/ecotourism-and-protected-areas#:~:text=According%20to%20the%20UNWTO's%20definition,cultures%20prevailing%20in%20natural%20areas.>

- Acceptance of project interventions by local stakeholders and community
- Presence of legal entity to receive and manage grants
- Willing of project responsible parties / partners in implementation
- Ownership and sustainability of intervention by local community

External Opportunities

- Market potential / demand for potential offer
- Local organisation (NGOs/CSOs, cooperatives) exist to support ecotourism development
- Existing or potential business partnerships to facilitate market access
- Connectivity / accessibility by public transportation
- Location (less than 2 hours by car/boat between significant tourist hubs)
- Potential routes ('close by' or 'on the way' to existing attractions)
- Active Government support

Internal Strength

- Contain unique highlights / attractions
- Welcoming people and living culture
- Community management and cooperation
- Nature and indigenous
- Knowledge of environment (community's relationship with natural assets)
- People and livelihoods (unique / traditional skills and economic activities)
- Availability of basic facilities
- No extreme sensitivity

43. The project uses internationally recognized Global Sustainable Tourism Council (GSTC) sustainability destination criteria²³ as basic guidelines for the three destinations to become more sustainable. Mersing has already undertaken efforts to achieve these criteria by 2025. Lessons from the adoption of the sustainability destination criteria will enable scaling of sustainability efforts for other destinations in Malaysia via a roadmap at the end of the project.

44. Where relevant, the project will consider five important measures for sustainable development when supporting local producers, tourism stakeholders or local communities in their activities and transition towards more responsible behaviours.

- Use of green technology:
- Reduce, Reuse, and Recycle Approach:
- Promoting Environmental Education and Awareness:
- Efficient Resource Utilization as Per Carrying Capacity:
- Improving Quality of Life Including Social, Cultural and Economic Dimensions

²³ Global Sustainable Tourism Council (GSTC) is managing the GSTC Criteria, global standards for sustainable travel and tourism; as well as providing international accreditation for sustainable tourism Certification Bodies. Accessible at <https://www.gstcouncil.org/gstc-criteria/gstc-destination-criteria/>

45. The project intends to build the resilience of the businesses and communities. Training is one of the approaches in building capacity, and it cannot be conducted as an isolated intervention. UNDP defines capacity development as “the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time.” UNDP, therefore, recognizes that sustainable capacity development also requires building organizational capacities as part of crucial strategy.
46. Overall, the project aims to support the Government of Malaysia through the Ministry of Finance in partnership with local authorities in the design and implementation of locally sustainable development solutions that are integrated and impactful, and can be scaled up and replicated across Malaysia and other regions; targeting local and indigenous, and vulnerable communities and other beneficiaries.
47. The project’s Theory of Change (Table 1) summarises the achievement of the project through its intended outcomes and overall development impact. It responds to the development challenges described. It provides a set of causal linkages between the services and products to be delivered by the project outputs, outcomes, and impacts arranged logically to form impact pathways.
48. To address the development challenges, the overall goal of the project is therefore to facilitate a paradigm shift from mass tourism to sustainable ecotourism. In that perspective, the project consists of two interconnected outcomes:
- **Outcome 1:** Resilience and risk management of micro, small and medium enterprises & tour operators was increased; and
 - **Outcome 2:** A sustainable and responsible ecotourism framework has been formulated and piloted at the community level
49. The project’s interventions require the following strategies, which have been developed into corresponding project outputs:
- i. Strengthen **good governance** and facilitate dialogue among key partners and stakeholders to establish a conducive methodological framework for ecotourism development at the local level²⁴.
 - For the project, this can be achieved in part by (i) launching a process of federating private stakeholders into sectoral associations where they are non-existent or weakly represented (e.g. Manjung), (ii) setting up or improving data collection mechanisms in community-based ecotourism (CBET) villages and / or protected or natural areas specific to the project to facilitate the management of visitor flows and decision-making (starting with a ecotourism carrying capacity assessment (ETCCA)), and (iii) the adoption of a participatory approach to the development of codes of conduct, as well as rules and regulations, in newly established community-based ecotourism (CBET) villages (selected communities or *kampung*) to bring stakeholders together more frequently around sustainable destination management issues.

²⁴ It was observed that dialogue is currently more advanced in Mersing with the existence of a Destination Coordination Group consisting of public and private sector representatives, whose objective is to achieve the GSTC’s destination criteria for sustainability by 2025.

- ii. Raise stakeholders' **capacity for resilience strategies for different risk scenarios** that form part of an overall disaster risk reduction and resilience planning process, and that influence this project and the future of the destination. This requires different approaches to anticipating and dealing with risks knowing that there are critical and independent steps that need to be undertaken to build and maintain resilience.
- iii. Improve local, national and international **market access** for tourism and tourism-related SMEs. This implies broadening and diversifying the categories of market segments and opportunities for local tourism actors and suppliers along the value chain.
- iv. Use ecotourism as an **experimental platform for local economic development by introducing new products, creative activities and experiences** (development of CBET villages) for both local, national and international visitors.
 - When ecotourism is introduced into a community, it is important that it complements existing activities rather than replacing them. Introducing a sustainable livelihoods approach means that communities and individuals support themselves through multiple activities rather than discrete jobs. This will not only avoid the disintegration of the social fabric but will also rejuvenate traditions while protecting natural resources from uncontrolled exploitation. The activities shall be proposed by the communities by embedding and working out the best mechanisms for the implementation of local sustainable tourism packages through the development of ecotourism destinations for further replication of such practises in other areas across the selected clusters and beyond.
- v. Raise **stakeholders' capacity around ecotourism destination development** through activities on ecotourism education, hospitality training, competency and skills training based on local needs while meeting the objective and aspiration set in the project.
 - As sites mainly visited by domestic tourists, the three selected areas are subject to a high density of people over short periods (weekends and holidays). Consequently, these periods correspond to an increase in waste production, traffic congestion and high water and energy consumption. Tourism stakeholders can help in reducing the consequences of these inflows of visitors by providing a less fragmented response to sustainability.

Outcome 1: Resilience and risk management of micro, small and medium enterprises & tour operators was increased

Output 1.1: Established an enabling environment for good governance in decision-making to support ecotourism development

- **Activity 1.1.1:** Support existing data collection systems development to incorporate ecotourism measurement and select indicators to improve the local governance of the sector (evidence-based) and the monitoring of the transition towards ecotourism principles. A bottom-up approach starting with the collection of data that is specific to the project activities is recommended as a first step before collecting more macro

data. It is expected that the activities be carried out by a Data Analyst/M&E Officer or support through technical experts based on local needs.

- **Activity 1.1.2:** Assessing ecotourism carrying capacity assessment (ETCCA) or similar studies be organised in CBET village and/or project-specific protected or natural areas. Ongoing collaboration between Universities at destinations should be utilised.
 - **Mersing** – There are ongoing work between MDM and universities in other areas. Possible expansion of this activity needs to be explored.
 - **Manjung** – There are ongoing collaboration between the community turtle conservation group in Pangkor Island, as well as other university researchers studying the flora and fauna in the forest area around Pangkor Hill.
 - **Setiu** – There are ongoing collaboration between PDS and universities in Terengganu.

- **Activity 1.1.3:** Update local policies based on evidence from data collection and ETCCA through the creation of rules and regulations for CBET villages. It is expected that this activity either be led by the project management unit and supported by the technical specialist in partnership with local authorities or vice versa. Process should be participatory and inclusive of communities and other relevant stakeholder groups.

Output 1.2: Established capacities to manage risk and developed business continuity strategies

- **Activity 1.2.1:** Build capacities to identify, assess and monitor disaster risks, training of host community, local authorities on emergency responses and recovery process & training communities and MSME businesses on strategies for effective business continuity management.

This includes support for the development of early warning protocols to integrate early warning systems into decision-making processes and emergency management systems (including awareness-raising campaigns or the organisation of exercises with local emergency response agencies, such as the fire brigade, which may already have a local early warning system and emergency staging/shelter areas).

Activity 1.2.2: Building gender-sensitive, pro-poor business continuity strategy.

This includes capacity building of communities and MSMEs in business model development, financial education and management including training on effective business continuity management strategies (i.e. how to deal with a given scenario). The activity is expected to be carried out by gender and technical specialist training providers to develop training content in consultation with beneficiaries i.e. communities / stakeholders, to customise to local context and capacity needs, supported by project consultants. Partnerships with relevant state agencies offering suitable training programmes should be explored.

This training should include:

- Orientation workshops on systematic disaster loss inventory methodologies for operators, policy staff and managers: existence and updating of business

and operational plans, the existence of a disaster preparedness plan, communication procedures and strategies, etc.

- Training activities on how to adapt or build tourism infrastructure and products that are less prone to natural disasters (to help stakeholders and local authorities prepare for possible natural disasters, and identification of perceived risks for each area is needed if not yet undertaken).
- Capacity building activities on digital training; financial literacy, e-payment, social media marketing, and business management for MSMEs including a gender approach in grouping participants. This training course is also open to associations of women entrepreneurs wishing to formalise their activities, to local producers linked to the tourism sector (farmers; craftsmen, etc.), to community associations and self-entrepreneurs in the tourism field.

Output 1.3: Conducted partnership activities along the local tourism value chain e.g., attractions, accommodations, products and services

- **Activity 1.3.1:** Establishment of local ecotourism resource/promotion centres (e.g., environmental-educational, tourist-informational, local product promotion) and activities not dependent on tourist arrivals but with a strong tourist appeal. It is highly recommended for the centres to meet the needs of people with disabilities. The objective of each centre is to highlight principles of eco-tourism and to propose a variety of products and services/activities promoting local “savoir faire”, culture and nature. Any partnership between the centres and local communities or local producers must embed fair trade principles (workers' rights, safer working conditions and fairer pay). In return, suppliers of products, services or activities will have to comply as much as possible with sustainability criteria (organic farming, use of green technologies, recycling, etc.). It should also include segments for livelihood or economic activities to sustain the ecotourism resource centre.
 - **Mersing** – Use the Mersing Harbour Centre as a space to establish the ecotourism resource centre. Include last mile connectivity considerations into the scope, such as the transition of tourists (visitors management) between parking spaces and visitors centre, the jetty and the city (e.g., eco-buggy). Clear signage to inform about the centre and product information are important. Part of the segment should accommodate hospitality needs and conversely promote businesses new market opportunities. It is expected to be carried out by the local council in partnership with STM and local businesses. Partnerships with East Coast Economic Region Development (ECERD) Council should be explored.
 - **Manjung** – Weekly art bazaar with a free-plastic policy at Lumut Waterfront for the creative industry players to teach, promote, and sell their locally made products. Some artists have existing prototypes i.e., art or souvenirs made from ocean waste or driftwood, handstitched bags, block printing on t-shirts, etc. In addition, local food will be on sale to attract more residents to learn about ecotourism. It is expected to be carried out by the local council in partnership with local NGOs and communities. Partnerships with Northern Corridor Implementation Authority (NCIA) should be explored.

- **Setiu** – Fisheries Museum or other potential sites can be an information centre for tourism packages, and as a showcase place for local products, crafts and history and culture. A coffee shop with WIFI access can be envisaged to attract both visitors and residents (including students) to strengthen the business model of this intervention. This is expected to be carried out by the by district office in partnership with local cooperatives, NGOs and community groups. Partnerships with Yayasan Hasanah should be explored.
- **Activity 1.3.2:** Training for managers, employees and volunteers in local ecotourism resources centres on organising and managing a responsible business, local partnership, cooperation, social responsibility, and hospitality in the area of ecotourism (training of trainers). It is expected to be carried out by the technical specialist.
- **Activity 1.3.3:** Development of raising awareness materials and activities (games, etc.) to support the ecotourism resources' centres (e.g., raising awareness on opportunities from the natural environment). It is expected to be carried out by local NGOs and supported by UNDP technical specialists.
- **Activity 1.3.4** - Training for local producers (i.e., on design, eco-responsible practices, ethical fashion, marketing, etc.) with equal opportunities given to women entrepreneurship. It is expected to be carried out by technical specialist training providers to develop training content in consultation with beneficiaries i.e., producers, to customise to local context and capacity needs, supported by project consultants. Partnerships with relevant state agencies offering suitable training programmes should be explored, e.g., opportunities with the state craft institutions.

Outcome 2: A sustainable and responsible ecotourism framework has been formulated and piloted at the community level

Output 2.1 – Implemented pilot for local sustainable tourism packages

- **Activity 2.1.1:** Development of ecotourism destinations, called CBET villages, through a value chain approach in each of the three selected ecotourism project areas. This corresponds to a step-by-step approach to building capacities of local communities in hospitality, hygiene and food safety, waste management and tour guiding skills while identifying simultaneously creative tourism experiences linked to natural and cultural heritage (see, as a guideline for implementation, the CBET facilitation manual, 2022 including setting up tourism association at village level and a community fund). The time between assessment and completion of training can range from 5 to 9 months (in some cases, community members will still need additional guidance and counselling). The rainy season also plays an important role in the time frame. While CBET villages have been selected for each destination (based on criteria, see annexe), consultation with other communities will continue to explore proposals for the development of specific ecotourism products / services / practices, subject to budget availability (refer to Activity 2.2.3).

- **Mersing** – Located in Kampung Orang Asli Tanah Abang with the development of products/experiences that leverages the traditional knowledge of the Orang Asli, i.e., creative experiences (e.g., weaving, cooking, fishing, rituals), as well as other nature-based experiences such as animal observations on river trips, and nature hikes. Other locations can be considered based on recommendations from the local council. It is expected to be implemented by local communities, supported by UNDP technical specialist and local authorities at district and federal level. The implementation can be placed under local authority, head of village or community-based organisation which should be further discussed and assessed.
 - **Manjung** – Community-Based Ecotourism in Pangkor Island or Guided hike through the forest reserve of Bukit Busu and then passing a fishermen's village where creative tourism experiences will be available for increasing the benefits for local communities. In addition, it is proposed to encourage nature-based tourism experiences for children with special needs. It is expected that this will be implemented by NGOs/CSOs based in Pangkor Island and Lumut, supported by UNDP technical specialist.
 - **Setiu** – Kampung Langkap, Kampung Mangkuk and Kampung Baru Penarik are keen to develop creative tourism experiences and community-led activities would include food as product & souvenirs, traditional arts and crafts, games, and performances (e.g., Wau terbang, bow and arrows, dikir barat, silat, etc.) and river activities (kayaking, nature river tours, night safari for fireflies, etc.) as part of Adventure Trails which includes hiking, kayaking, camping and hill cycling. It is expected to be implemented by community members in partnership with NGOs through the local authority, supported by UNDP technical specialists.
- **Activity 2.1.2:** Study tour for local communities involved to discover best practices in Malaysia (Sabah as described in the NEP). This activity is expected to mobilise communities in partnership with local authorities and NGOs/CSOs, supported by PMU and technical specialists.
- **Activity 2.1.3:** Branding destinations through training in digital marketing and the establishment of forward linkages with inbound tour operators. Depending on the activities or destination, a part can be implemented by the local council, while overall branding can be implemented by UNDP technical specialists or appointed third party communication specialist or services.
- **Activity 2.1.4:** Restore and rehabilitate natural buffers e.g., coral and forest. As tourism activities increase, natural resources are strongly affected by human behaviour (visitors and professionals), especially when there is a gap between tourism planning (national policies and strategies for sustainable tourism development including NEP) and implementation. The project will support local communities in their natural resource restoration and rehabilitation objectives (e.g., coral planting, mangrove planting, etc.). It is expected to be implemented by the local

NGOs/CSOs, where capacity is present, or implementation by universities or other specialised NGOs/CSOs, where capacity is not locally available.

Output 2.2: Capacity of community operators on hospitality, waste management and tour guiding skills was built

- **Activity 2.2.1:** Gather evidence on the key issues in the district (e.g., waste generation, traffic congestion) hindering the development of sustainable tourism with one of the aims of drafting guidelines for the adoption of ESG (Environment, Social, Governance) practices in the tourism industry. It is expected to be implemented by UNDP technical specialist in partnership with local NGOs/CSOs.

- **Activity 2.2.2:** Training of operators on ESG (Environment, Social, Governance) throughout the tourism value chain including a module on limiting waste production (favouring products without packaging, eliminating bags and other plastic objects such as straws, etc.), sustainability, greening the transport sector and others on need basis. This includes technical support to conservation projects in guiding, hospitality and entertainment of visitors. It is expected to be implemented by UNDP Technical Specialist in partnership with NGOs/CSOs.
 - **For Setiu and Mersing** - The timing of the training should be conducted during the monsoon which expected between October 2022 and February 2023 to maximise the time use and for applicability of the lesson learnt during visitor season starting in March 2023. Additionally, local specialists are most welcome due to local preference, perceptions and confidence. External specialist should be avoided. The modules should also include Training-for-Trainer.

 - **Manjung** – No preference was raised during the consultation with the stakeholders.

- **Activity 2.2.3:** Information campaign to promote and use CBET villages for community operators (peer to peer activities to share and exchange best practices from the project). It is expected to be implemented by UNDP technical specialists. The process should be participatory and inclusive of the local community.

- **Activity 2.2.4:** Three workshops for the exchange of experiences between the three project areas selected in the framework of the mid-term evaluation to strengthen the dynamics of ownership and development of activities. It is expected to be implemented by PMU and UNDP technical specialists.

50. The theory of change suggests that *if* the resilience and risk management of MSMEs and communities along the tourism sector value chain is increased, *and if* a conducive sustainable and responsible ecotourism framework at the community level is created and piloted, *then* destination communities and businesses will recover with greater resilience and the local tourism sector will contribute to conservation of natural and cultural assets, as well as community wellbeing.

51. The intervention to facilitate and promote an inclusive and sustainable ecotourism sector can be devised and will contribute meaningfully to livelihoods generation and supply of innovative services and responsible, and consequently to economic diversification, transformative inclusive green growth and accelerate progress towards the achievement of the SDGs in each of the selected areas.
52. UNDP will support the Government in strengthening the development of the local tourism value chain for the players with a focus on women entrepreneurship (facilitating backward and forward linkages, organising training to acquire new skills and develop new services), establishing local ecotourism resources centres and events (such as weekend markets, visitor centres, etc.) and utilizing natural assets and destination-unique selling propositions as anchors to strengthen social and economic development.
53. To ensure that project interventions and best practices continue to be adopted for lasting impact, empowerment activities of local authorities and stakeholder actors, as well as digital marketing activities will be undertaken and monitored in the project. Policies that will be prioritised such as the visitor management plan, data use framework, and ecotourism management and financing framework for community funds and initiatives, will be undertaken in line with existing local tourism development plans, if any.
54. The project will make close reference to and take precautions to avoid duplication of efforts, and instead to complement or contribute to objectives of local plans such as the Sustainable Travel Mersing (STM) Action Plan, and the Setiu Wetland Management Plan. Lessons learned and recommendations will be tabled to the local tourism committee for future planning.

Table 1. Key development challenges and the theory of change

| | | | | | |
|-------------|---|--|---|---|---|
| Goal | Paradigm shift from a mass tourism to an ecotourism sustainable dynamic | | | | |
| Outcomes | Resilience and risk management of micro, small and medium enterprises & tour operators was increased | | | A sustainable and responsible ecotourism framework has been formulated and piloted at the community level | |
| Outputs | Established an enabling environment for good governance in decision-making to support ecotourism development | Established capacities to manage risk and developed business continuity strategies | Conducted partnership activities along the local tourism value chain e.g., attractions, accommodations, products and services | Implemented pilot for local sustainable tourism packages | Capacity of community operators on hospitality, waste management and tour guiding skills was built |
| Activities | <ul style="list-style-type: none"> - Support existing data collection systems development - Ecotourism carrying capacity assessment (ETCC) in project specific protected or natural areas. - Update local policies based on evidence from data collection and ETCC including codes of conduct. | <ul style="list-style-type: none"> - Build capacities to identify, assess and monitor disaster risks, Training of host community, local authorities on emergency responses and recovery process & Training communities and MSME businesses on strategies for effective business continuity management - Building gender-sensitive, pro-poor business continuity strategy | <ul style="list-style-type: none"> - Establish tourist resources hubs and events related to ecotourism, circular economy and sustainability - Training for managers, employees and volunteers in local resources hubs - Training of local producers in ethical fashion and design including a priority given to women entrepreneurship - Develop raising awareness materials and activities on sustainability for resources hubs and events | <ul style="list-style-type: none"> - Development of CBET destinations (ecotourism learning centres) including the support to CBET initiatives that also include creative tourism experiences ensuring a gender balance - Study tour to discover best practices - Branding and marketing of CBET destinations - Rehabilitate natural buffers | <ul style="list-style-type: none"> - Gather evidence on key issues that hamper sustainable tourism development - Training of operators in CSR/ESG throughout the community tourism value chain (from hospitality to tour guiding) - Information campaign to promote and use CBET destinations as ecotourism learning centres for community operators - Three workshops for the exchange of experiences between the three zones selected |
| Assumptions | <ul style="list-style-type: none"> - Public bodies agree to cooperate on natural resources management for the benefit of ecotourism development - All stakeholders understand that there is a limit to growth | <ul style="list-style-type: none"> - Key stakeholders' groups are committed to contribute time and open to learn | <ul style="list-style-type: none"> - All tourism related stakeholders are considered along the value chain and offered to be part of the project | <ul style="list-style-type: none"> - Local actors accept to federate around ecotourism in a transparent way and driven by principles of solidarity and sustainability. - All engaged tourism stakeholders agree to engage in a shift towards ecotourism | <ul style="list-style-type: none"> - All engaged tourism stakeholders agree to train for targeting and welcoming responsible visitors |
| Risks | The recent crises could make the growth of tourist arrivals the main priority for tourism stakeholders beyond building a more resilient business environment. | A sharp increase in the number and frequency of natural disasters and other risks | A lack of trust and interest in local crafts by the local population and national visitors. | Accelerated degradation of the natural environment, and disaggregation of the social fabric and traditions due to transformation into a mass ecotourism destination | Insufficient implementation of national tourism policy and plans leading to a lack of adherence to sustainability principles |

3. RESULTS AND PARTNERSHIP

Expected Results

55. The project objective – is to strengthen the resilience of destination communities and MSMEs by piloting interventions related to ecotourism development. In other words, it consists of facilitating a paradigm shift from mass tourism to targeted tourism through an ecotourism sustainable dynamic in the selected project areas.
56. To achieve this objective, the project is expected to maximise the impact of capacity building and ensure the effectiveness and sustainability of the following outputs through the implementation of practical and participatory activities. All activities will take place in varying degrees in each of the three project's ecotourism destinations, based on continuous consultations with local stakeholders, according to their respective needs and ecotourism development visions.
57. To facilitate the implementation of the project, all activities are expected to apply similar methodologies to the three destinations to facilitate management, monitoring and evaluation. On the other hand, the content of the activities is strongly anchored to the local context as they all emanate from proposals made by the stakeholders during the various project preparation workshops.
58. It is expected that the following principles are upheld in project implementation:
- **Bottom-up, participatory and inclusive approach in consultation** is expected between local tourism sector players to map relationships and interactions in existing systems and value-chains, to identify strengths and opportunities to address issues and challenges. Collaboration between end-users of the solution/intervention and technical consultants will ensure project ownership and outcomes appropriate to the needs of all stakeholders.
 - **Disparities through the empowerment of vulnerable and disadvantaged groups is addressed** based on the baseline gaps assessment and specific interventions (e.g., gender-based, youth-based), with tourism actors and communities. The pilot will prioritise the participation of residents and MSMEs in the design of new tourism offerings to support livelihoods and enhance resilience.
 - **Gender perspectives are considered throughout the project**, ensuring that both men and women will participate in the project, especially concerning capacity building activities for the local communities, project implementation activities and decision-making processes that involve the local communities. This project will benefit men, women, boys and girls.
59. It is expected that the project has a long-term effect at each destination. This is expected to be contributed from the co-creation of interventions using theory of change, with stakeholder participation and implemented by local partners through granting and/or technical assistance.

60. This project contributes directly to “Theme 1: Resetting the Economy, Chapter 3, Strategy A5: Re-energising the Tourism Industry”; Chapter 5, Strategy E2: Accelerating Socioeconomic Development of Orang Asli; Chapter 8, Strategy B3: Ensuring Sustainable Utilisation and Benefits Sharing; Chapter 11, Strategy A1: Providing an Enabling Environment for the Growth of the Digital Economy as reflected in the 12MP.

61. In addition, this project contributes to 9 out of 19 strategies in the NEP (2016-2025). Specifically:

- i. TC2: Building capacity and community partnerships
- ii. SY2: Establishing a Malaysian community-based ecotourism network
- iii. SY5: Repositioning marine protected areas as ecotourism destinations
- iv. SY6: Scaling up ecotourism through guiding and interpretation
- v. SY7: Scaling up homestays
- vi. EM1: Leveraging on mainstream tourist flows from major cities
- vii. EM2: Marketing and promoting eco-adventure activities
- viii. EM5: Identifying measures of ecotourism activity in protected areas (data)
- ix. EC1: Designing ecotourism clusters

62. This project contributes to UNDP Strategic Plan 2022 – 2025, specifically two out of three directions of change: (i) Structural transformation: including green, inclusive and digital transitions: working with countries to effect change in systems and structures that shape a country’s sustainable development and (ii) Building resilience: strengthening countries and institutions to prevent, mitigate and respond to crisis, conflict, natural disasters, climate and social and economic shocks. It contributes to at least four UNDP Signature Solutions: Resilient, Environment, Governance and Gender Equality. It applies 2 enablers specifically (i) Strategic innovation: Empowering governments and communities to enhance the performance of entire systems, making them adaptive and resilient and (ii) Digitalisation: Supporting countries to build inclusive, ethical and sustainable digital societies.

Resources Required to Achieve the Expected Results

63. This project will be funded by the Ministry of Finance under Malaysia’s Budget 2022 allocation under ‘Initiative 3: Community Empowerment to address the impacts of COVID pandemic on the domestic tourism sector’. Given the nature of the project, the key resources required to achieve the expected result will mainly consist of paying technical experts to provide analytical and technical support to the project, data acquisition, travel expenses, costs of meetings and workshops, study tour and contractual services to support project activities. Costs related to the acquisition of equipment, materials and technical assistance to the pilot sites, branding and marketing of the product and services in national and international markets will also be important expenditure items for the project’s budget accounts.

64. It is expected that additional funding either in-kind, joint contribution directly to the project activities or through joint partnership can be mobilised from potential donor(s) and private sector to support the implementation of the project within the project duration.
65. The project management unit (PMU) will be formulated. The PMU is composed of at least three staffs. Programme Manager will provide overall direction to the project management, while the Programme Analyst as the project manager and project associate/assistant will be in charge of the day-to-day operation and workflow management which will be based in Putrajaya.
66. National experts and/or contractual services companies will be recruited to provide support in phases including a Field Coordinator (depending on need - one at each destination), Data Analyst/Scientist/Monitoring and Evaluation (M&E) Officer, Communications Officer, Domestic Tourism Specialist, Community-based Ecotourism (CBET) Specialist, and Gender Specialist. These technical consultants will deliver value-added support to the destinations in terms of tourism data generation and analysis, destination content development, inclusive consultation processes, and coordinating daily project monitoring and maintaining stakeholder relations on the ground.
67. The project will work with capable local partners at each destination to deliver interventions, either as Responsible Parties or through the award of micro-grants. In the case of micro-grants, the local partners are required to develop a proposal with the participation of the community and key stakeholder groups, to ensure that projects have the agreement and participation of the local people.
68. The local authorities will provide in-kind contributions such as the use of office facilities by the project team, and office space and assist in gaining access to community representatives, and access to all relevant data and information required for the project. Additionally, it is expected that the project benefits from joint funding as the project activities are integrated with local planning which has some existing funding.

Partnerships

69. UNDP in partnership with local authorities (as per destination project governance set up) will jointly be responsible for providing project assurance, policy and technical advisory to successful delivery of the project outputs in line with local destination planning.
70. UNDP overall scope includes:
- (i) Providing project assurance, policy, technical advisory and communication services to successful delivery of project outputs;
 - (ii) providing human resources, procurement, financial and audit services to the project;
 - (iii) overseeing financial expenditures against approved project budgets;
 - (iv) appointing independent financial auditors and evaluators;
 - (v) ensuring that all activities including procurement and financial services are carried out in strict compliance with UNDP procedures and
71. At each destination, UNDP will partner with the local authorities which has been established. In Setiu, UNDP will partner with the Setiu District Office (PDS). Through PDS, other local partners (NGOs, business and associations) will be in close collaboration for the project in co-creating sustainable ecotourism, community awareness and empowerment programmes.

72. In Manjung, the key project partner will be the Manjung Municipal Council (MPM). Similar to Setiu and Mersing, together with MPM, stakeholders will be engaged directly or through the local communities and NGOs to raise awareness on local environmental issues and work to build local capacity to put safeguards in place.
73. In Mersing, the project's key partner will be Mersing District Council (MDM) and Mersing District Office (PDM) which has been established; which include STMDCG and other NGOs, CSOs and CBOs. UNDP will also be working with the local authorities to leverage on other existing project (Integrated Island Waste Management) implemented at the location to be integrated and strengthened through this project.
74. Relevant ministries and government agencies at federal, state and local level, institutions, universities, society organisations and private sector will provide policy and technical support on the activities pertaining to the tourism and ecotourism including training; execution of part of the project in certain stages of the project. UNDP will facilitate best practices within its network and with other United Nations (UN) agencies such as UNWTO and UNESCO where applicable.

Stakeholder Engagement

75. The involvement of local and national stakeholders is an important element of the project's success. The engagement with the stakeholders is a continuous process for project planning, implementation and decision making at all stage of the project. The key stakeholders of the project are:
- a) The Ministry of Finance (MoF)
 - b) State Governments
 - c) Economic Planning Unit (EPU)
 - d) The Ministry of Tourism, Arts and Culture (MOTAC) federal and state
 - e) Department of Statistics Malaysia (DOSM)
 - f) Ministry of Rural and Development (KPLB)
 - g) Department of Orang Asli Development (JAKOA)
76. During the design phase of the project, the project has consulted more than 200 individuals representing various institutions and organisations from public sector, private sector and communities (in Annex 5: Stakeholder Engagements). This includes consultation at federal and state level, as well as at each destination during:
- fact finding mission which was used to verify and further identify development challenges in local context;
 - validation (virtual) workshop where the project presented the findings of fact findings missions which was used as the basis to refine the scope of the project and for collective goal setting, decision-making, risk management, solution design, and impact measurement and
 - formulation workshop which was used to get feedback on the project design, determine project activities priorities and project interventions.
 - In addition, there were also multiple bilateral discussions and presentations to each local authority to ensure the project is in line with local planning and to reaffirm partnership with local authorities.

Project target groups:

77. Target groups were primarily identified by recommendation of the local District Office or Local Council. It is the local authority that is responsible for local tourism development and convenes the local tourism committee that involves membership from related multistakeholder groups (i.e., local agencies, NGOs/CSOs, associations, operators, local communities, etc).
78. The intended beneficiaries will be the government, local businesses, NGOs and communities with focus on women. Other potentially affected groups (indirect stakeholders) will include the residents of each selected area as well as visitors, through awareness-raising materials and the benefits that ecotourism development can bring to everyone in terms of maintaining natural assets. In addition, economic benefits which are expected to accrue to the sectors accompanying the development of the ecotourism industry (agriculture, crafts, construction, etc.) will also be shared.

South-South and Triangular Cooperation (SSC/TrC)

79. The project will refer to experiences and lessons learned from Malaysia (as indicated in the National Ecotourism Plan) and from neighbouring countries in the region such as ASEAN and Asia Pacific. The project will therefore make use of Malaysian best practices in the organisation of a study tour, particularly regarding the development of community projects. It is also planned to organise three workshops in each of the project areas for the exchange of experiences between the three zones selected in the framework of the mid-term evaluation to strengthen the dynamics of ownership and development of activities
80. The results and lessons learned from the project will be published on UNDP-managed websites in the form of various types of knowledge products that can be easily accessible by other countries, as the main mode of knowledge transfer. Where applicable, UNDP Malaysia, Singapore and Brunei Darussalam avails itself to request for sharing of knowledge and experiences with interested organisations, other UNDP Country Offices, Bangkok Regional Hub or globally.

Knowledge

81. Besides detailed reports, the project will create visibility for knowledge and lessons learned mainly through blogs, photo-essays, and videos, which will be used to communicate the project's progress, challenges, and opportunities through a storytelling format that connects at an emotional level and is easy for public audiences to consume. The project also aims to facilitate a tourism database for each destination, to encourage the sustainability of evidence-based decision-making practices for tourism development.
82. In each area, the project will help to transform traditional nature-based visits in a village into ecotourism experiences (also called a CBET village or destination) for further replication in other areas across the selected clusters and beyond. Simply visiting a village does not mean that local people will participate in or benefit from tourism. The project aims to create significant opportunities for local communities to develop new skills and earn income from tourists who are interested in local life experiences related to natural environment. This market opportunity makes CBET a feasible choice for local community development. These ecotourism villages will consist of the implementation of locally sustainable development solutions that are integrated and impactful, and can be scaled up and replicated across Malaysia and other regions, targeting local and Indigenous, and vulnerable communities and other beneficiaries.

83. Results from the project will be disseminated within the project intervention areas through existing information-sharing networks and platforms such as UNDP BRH, Global Policy Network (GPN) and other platforms. The project will identify and participate, as relevant and appropriate, in scientific, policy-based, and/or any other network mentioned above, which may be of benefit to the project implementation through lessons learnt. The project will identify, analyse, and share lessons learnt that might be beneficial in the design and implementation of similar future projects.

Sustainability and Scaling Up

84. The project's interventions which are conservation-focused and community-based should address challenges and capitalise on opportunities that are contextually unique at each destination and fall within local authority jurisdiction. Therefore, the sustainability of the project's results will first and foremost depends on strong local governance, strong ownership among local stakeholders and community, and a working financing model at the district level.

85. To ensure the sustainability of the project and its impact, the project has been working closely with the local authorities, ensuring the project is part or contributing to the local planning and set up a destination governance structure that embeds partnership with all respective local authorities including the technical and co-decision-making process at the destination level.

86. To achieve scalability of impact to other surrounding areas and possibly other ecotourism clusters, the results will be presented to the State Executive Council of Tourism (state level) and MOTAC (federal level) through the District level engagement or Project Steering Committee, or by submission of policy briefs. The project may suggest that the state government consider investing from its budget a similar initiative in other communities, while it may make policy recommendations to the MOTAC.

4. PROJECT MANAGEMENT

Project Management

87. The project will be managed by UNDP Malaysia Country Office under the Inclusive Growth and Prosperity (IGP) cluster under the Direct Implementing Modality (DIM) utilizing UNDP procedures. The Project Management Unit (PMU) will be locally operated in Putrajaya. A team comprises of a Programme Analyst Prosperity (Project Manager) and Project Associate will be assigned by UNDP Malaysia to work in close collaboration with relevant Government agencies, under the advice of the Programme Specialist of IGP. Where applicable PMU will be involved in the project coordination which provides onsite supervision for project implementation and financial management.

88. The day-to-day operation of the project workflow will be under the direct supervision of the Head of IGP Unit (or Programme Specialist) and coordinated by the Programme Analyst Prosperity (Project Manager) and supported by a project assistant (associate) and other technical specialists for the project's implementation and coordination supports.

89. The key activities of project management include: project planning, project management and implementation, final project evaluation, stakeholder consultations, capacity building, training and workshops, as well as project assurance and information exchange and sharing.

90. The project is closely linked with the UNDP objective to promote inclusive, sustainable and resilient development strategies that supports economic growth, employment, social inclusion, environment conservation and good governance (Prosperity, Planet and Peace pillars). Periodic information sharing platform/meetings can be held for experience and lessons-learned sharing.
91. HACT assurance activities will be conducted annually, whereas a comprehensive audit will be conducted once in a project lifetime.

Cost Efficiency and Effectiveness

92. At project level, a portfolio-like management approach will be explored in integrating various back-end and administrative functions. Project management unit will be centralized at UNDP CO in monitoring and back-stop supports needed by the local authorities. To further reduce transaction cost, financial disbursement will be organized mainly via Letter of Agreements (LOA) instruments where it will be mainly managed by LA upon advice by UNDP.
93. Close collaboration with local authorities with planning, implementation and decision making set up as per project governance enable the project to leverage on existing partnership resulting in cost efficiency and effective in project management. Additional, as the project sets to strengthen local governance and utilising data in planning, it will set off other good governance practices such as consulting inclusively, making more responsible development decisions that result in benefiting the community.

Financial Management

94. Resources to support this project will be from the Ministry of Finance (MoF). Based on the approved work plan, UNDP will provide the required financial resources to carry out the project activities during the project period. The following modality will be used, where applicable and relevant:
- Direct payment to Government agencies, NGOs or other third parties, for obligations incurred to carry out the project; or
 - Reimbursement to the appointed Implementing Partner for obligations made and expenditures incurred by them in support of the activities executed.
95. UNDP shall monitor the use of the financial resources and be accountable for:
- Managing the project resources to achieve the expected results; and
 - Maintaining an up-to-date accounting system that contains records and controls to ensure the accuracy and reliability of financial information and reporting. Expenditures made should be per the Annual Work Plans.
96. A project revision shall be made when appropriate; to respond to changes in the development context or to adjust the design and resources allocation to ensure the effectiveness of the project provided to ensure the project remains relevant to the CPAP. A project revision shall be supported by the record of an approval decision made by the PSC with an updated and signed AWP.

5. RESULTS FRAMEWORK²⁵

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:

Prosperity - Malaysia is making meaningful progress towards an economy that is inclusive, innovative and sustainable across all income groups and productive sectors

Planet - Environmental sustainability and resilience are mainstreamed as priorities within the national development agenda, across all sectors and levels of society

Peace - Malaysia has strengthened democratic governance and all people living in Malaysia benefit from more cohesive society, strengthened governance and participation

Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:

Indicator 1.3.1: Inclusive policies are developed to promote, enforce and monitor gender equality and non-discriminatory practices on the basis of gender and disability.

Baseline: 5

Target: 10

Source: MWFCDD, DOSM

Indicator 2.3.2: Number of vulnerable persons (indigenous, poor, and at-risk communities) with increased preparedness and resilience against climate and disaster risks, disaggregated by sex

Baseline: 0

Target: 5000 (50% women)

Source: UNDP/NADMA

Indicator 3.1.2: Number of MSME inclusive of youth, women, and informal entrepreneurs supported by UNDP for enhanced capacity to engage digital economy and finance.

Baseline: 0

Target: 300 (disaggregated by youth, women entrepreneurs)

Source: MDEC, MEDAC, Malaysian Global Innovation and Creativity Centre (MaGIC)

Indicator 4.2.2: Number of local councils engaging with citizens and civil society for local agenda setting

Baseline: 0

Target: 5

Source: UNDP

²⁵ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

Applicable Output(s) from the UNDP Strategic Plan:

Structural transformation: including green, inclusive and digital transitions: working with countries to effect change in systems and structures that shape a country's sustainable development.
 Leave no-one behind: a rights-based approach centred on empowerment, inclusion, equity, human agency and human development.
 Building resilience: strengthening countries and institutions to prevent, mitigate and respond to crisis, conflict, natural disasters, climate and social and economic shocks.

Project title and Atlas Project Number:

Sustainable tourism recovery
 UNDP ATLAS Project Number: 00130090

| EXPECTED OUTPUTS | OUTPUT INDICATORS ²⁶ (per destination) | DATA SOURCE | BASELINE | | TARGETS (by frequency of data collection) | | | DATA COLLECTION METHODS & (RISKS) |
|--|--|-------------|----------|------|---|------|------|--|
| | | | Value | Year | 2022 | 2023 | 2024 | |
| Output 1.1: Established an enabling environment for good governance in decision-making to support ecotourism development | 1.1.1 Number of local tourism data system strengthened Baseline: 0 Target: 3 | Project | 0 | 2022 | 0 | 3 | 0 | Project activities |
| | 1.1.2 Completion of ETCC Assessments for each targeted site Baseline: 0 Target: 3 | Project | 0 | 2022 | 0 | 3 | 0 | Consultation with key stakeholder groups |
| | 1.1.3 Number of measures developed for local government institutions to improve decision-making for ecotourism Baseline: 0 Target: 3 | Survey | 0 | 2022 | 0 | 3 | 0 | Local meeting/circular |

²⁶ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

| | | | | | | | | |
|--|---|---|---|------|---|-----|---|--|
| Output 1.2: Established capacities to manage risk and developed business continuity strategies | 1.2.1 Number of participants with increased awareness to identify, assess and monitor disaster risks, emergency responses and recovery process. Baseline: 0 Target: 50 (25 male, 25 female) | Government | 0 | 2022 | 0 | 50 | 0 | Interviews and survey (lack of transparency, red tape) |
| | 1.2.2 A Train-of-Trainer module for capacity building developed Baseline: 0 Target: 1 | Project | 0 | 2022 | 0 | 1 | 0 | Report |
| | 1.2.3 Percentage of participants have a better understanding of gender issues. Baseline: 0% Target: 50% | UNDP Consultants' reports (Gender specialist) | 0 | 2022 | 0 | 50% | 0 | Survey and interviews |
| | 1.2.4 Number of participants supported by the project, adopting digitalization/ business continuation strategy in their business operations Baseline: 0 Target: 50 | Project | 0 | 2022 | 0 | 50 | 0 | Pre-Post training survey |
| Output 1.3: Conducted partnership activities along the local tourism value chain e.g., attractions, accommodations, products and services | 1.3.1 A ecotourism promotion centre launched in each targeted site Baseline: 0 Target: 3 | Program reports | 0 | 2022 | 0 | 3 | 0 | Survey and interviews |
| | 1.3.2 Number of public/local communities participated in ecotourism campaigns organized by project Baseline: 0 Target: 500 | UNDP Consultants' reports | 0 | 2022 | 0 | 500 | 0 | Reporting |
| | 1.3.3 Number of partnerships among tourism operators on new ecotourism initiatives. Baseline: 0 | UNDP Consultants' reports | 0 | 2022 | 0 | 10 | 0 | UNDP Consultants' reports |

| | | | | | | | | |
|---|---|--|---|------|-----|-----|---|---|
| | Target: 10 partnerships | | | | | | | |
| Output 2.1: Implemented pilot for local sustainable tourism packages | 2.1.1 Number of people engaged in ecotourism benefitting from jobs and improved income. Baseline: 0 Target: 100 | NGOs/ consultants reports | 0 | 2022 | 0 | 100 | 0 | Summary reports of NGOs/consultants/partners |
| | 2.1.2 Number of new CBT and CBET products and services developed for sale at the community level Baseline: 0 Target: 10 | | 0 | 2022 | 0 | 10 | 0 | Summary reports of NGOs/consultants |
| | 2.1.3 Number of communities learning/exchange sessions for ecotourism best practice Baseline: 0 Target: 3 | | 0 | 2022 | 0 | 3 | 0 | Summary reports of NGOs/consultants/partners |
| Output 2.2: Capacity of community operators on hospitality, waste management and tour guiding skills was built | 2.2.1 Percentage of tourists reported high or very high satisfaction of the tourism experience Baseline: 0 Target: 60% | Local facilitators' reports + UNDP consultants' reports + trained participants feedbacks | 0 | 2022 | 0 | 60% | 0 | Interviews and survey (pressure and intimidation for certain sensitive topics) |
| | 2.2.2 Proportion of tourism operators take actions to reduce waste/plastic. Baseline: 0 Target: 50% | | 0 | 2022 | 0 | 50% | 0 | Interviews and survey (Participants being afraid to share their views on public governance) |
| | 2.2.3 Improved levels of women representatives and influence in destination steering committees Baseline: 15% Target: 40% | | 0 | 2022 | 15% | 40% | 0 | Survey and interview (Perception of sustainability as an extra-cost) |

6. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

Monitoring Plan

| Monitoring Activity | Purpose | Frequency | Expected Action | Partners (if joint) | Cost (if any) |
|---|---|---|---|---|----------------------------------|
| Track results progress | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. | Semi-annually, or in the frequency required for each indicator. | Slower than expected progress will be addressed by project management. | UNDP | Refer to the Multi-Year Workplan |
| Monitor and Manage Risk | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk. | Quarterly | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. | UNDP | Refer to the Multi-Year Workplan |
| Learn | Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. | At mid-term | Relevant lessons are captured by the project team and used to inform management decisions. | UNDP and local partners (refer to <i>Partnerships</i>) | Refer to the Multi-Year Workplan |
| Annual Project Quality Assurance | The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project. | At mid-term | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance. | UNDP | Refer to the Multi-Year Workplan |
| Review and Make Course Corrections | Internal review of data and evidence from all monitoring actions to inform decision making. | At mid-term | Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections. | UNDP | Refer to the Multi-Year Workplan |
| Project Report | A progress report will be presented to the Project Board and key stakeholders, | At mid-term, and at the end of the | Project management team will report project updates to the | UNDP | Refer to the Multi- |

| Monitoring Activity | Purpose | Frequency | Expected Action | Partners (if joint) | Cost (if any) |
|---------------------------------------|--|------------------------|--|---|----------------------------------|
| | consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period. | project (final report) | Project Board for accountability of resources used and impacts achieved. | | Year Workplan |
| Project Review (Project Board) | The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. | At mid-term | Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. | UNDP and local partners (refer to <i>Partnerships</i>) | Refer to the Multi-Year Workplan |

7. MULTI-YEAR WORK PLAN ²⁷²⁸

| Expected Outcome | Expected Output | Planned Activities | Responsible Party | Funding Source | ATLAS Budgetary Account Code | ATLAS Budget Description | 2022 (USD) | 2023 (USD) | 2024 (USD) | Amount (USD) |
|--|---|--|-------------------|----------------|------------------------------|-------------------------------------|------------|------------|------------|--------------|
| Outcome 1: Resilience and risk management of micro, small and medium enterprises & tour operators was increased | Output 1.1: Established an enabling environment for good governance in decision-making to support ecotourism development | 1.1.1 Support existing data collection systems development to incorporate ecotourism measurement and select indicators to improve the local governance of the sector (evidence-based) and the monitoring of the transition towards ecotourism principles | UNDP (001981) | MOF (30072) | 71300 | Local Consultant | 1,728 | 13,823 | 0 | 15,551 |
| | | | UNDP (001981) | MOF (30072) | 72640 | Grants | 9,935 | 39,741 | 0 | 49,676 |
| | | | UNDP (001981) | MOF (30072) | 75700 | Workshop/Conferences | 2,160 | 3,240 | 0 | 5,400 |
| | | 1.1.2 Assessing ecotourism carrying capacity assessment (ETCCA) or similar studies be organised in CBET village and/or project-specific protected or natural areas | UNDP (001981) | MOF (30072) | 72100 | Service Contract | 4,320 | 10,799 | 0 | 15,119 |
| | | | UNDP (001981) | MOF (30072) | 71300 | Local Consultant | 0 | 6,479 | 0 | 6,479 |
| | | 1.1.3 Update policies based on evidence from data collection and ETCC including codes of conduct. | UNDP (001981) | MOF (30072) | 75700 | Workshop/Conferences | 3,240 | 3,240 | 3,240 | 9,719 |
| | | | UNDP (001981) | MOF (30072) | 72640 | Grants | 2,592 | 10,367 | 0 | 12,959 |
| | | | UNDP (001981) | MOF (30072) | 71300 | Local Consultant | 6,479 | 38,877 | 0 | 45,356 |
| | | | UNDP (001981) | MOF (30072) | 71600 | Travel | 2,160 | 10,799 | 8,639 | 21,598 |
| | | UNDP Advisory Service 1 | UNDP (001981) | MOF (30072) | 64300 | UNDP Technical and Advisory Service | 3,587 | 15,110 | 1,307 | 20,004 |

²⁷ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

²⁸ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

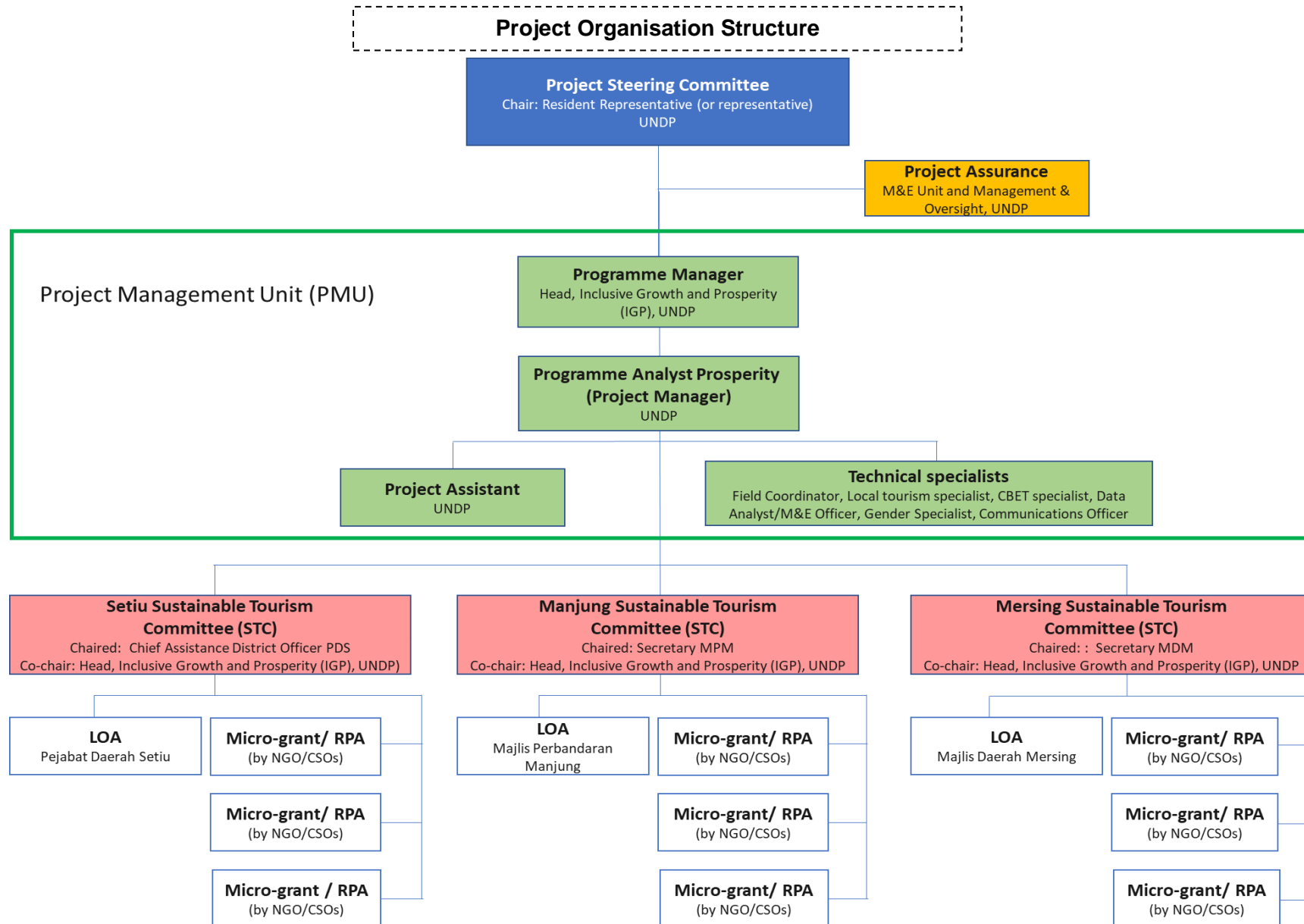
| | | | | | | | | | | |
|--|--|--|------------------|----------------|-------------------------------------|---------------|---------------|----------------|---------------|----------------|
| | | GMS | UNDP (001981) | MOF (30072) | 75100 | GMS | 2,172 | 9,149 | 791 | 12,112 |
| | | Sub-Total for Output 1.1 | | | | | 38,373 | 161,624 | 13,977 | 213,973 |
| Output 1.2: Established capacities to manage risk and developed business continuity strategies | 1.2.1 Build capacities to identify, assess and monitor disaster risks, Training of host community, local authorities on emergency responses and recovery process & Training communities and MSME businesses on strategies for effective business continuity management | UNDP (001981) | MOF (30072) | 72100 | Service Contract | 22,462 | 12,095 | 0 | 34,557 | |
| | | UNDP (001981) | MOF (30072) | 72640 | Grants | 3,456 | 13,823 | 0 | 17,279 | |
| | 1.2.2 Building gender-sensitive, pro-poor business continuity strategy (Gender Specialist) | UNDP (001981) | MOF (30072) | 71300 | Local Consultant | 6,479 | 10,799 | 0 | 17,279 | |
| | UNDP Advisory Service 2 | UNDP (001981) | MOF (30072) | 64300 | UNDP Technical and Advisory Service | 3,240 | 3,672 | 0 | 6,911 | |
| | GMS | UNDP (001981) | MOF (30072) | 75100 | GMS | 2,138 | 2,423 | 0 | 4,562 | |
| | Sub-Total for Output 1.2 | | | | | 37,775 | 42,812 | 0 | 80,587 | |
| | Output 1.3: Conducted partnership activities along the local tourism value chain e.g., attractions, accommodations, products and services | 1.3.1 Establishment of local ecotourism resources centre (environmental-educational, tourist-informational, local product promotion) | UNDP (001981) | MOF (30072) | 72640 | Grants | 17,063 | 68,251 | 0 | 85,313 |
| 1.3.2 Training for managers and employees in local ecotourism resources centres on organising and managing a responsible business (incl. business model), local partnership, cooperation, social responsibility, and hospitality in the area of ecotourism | | UNDP (001981) | MOF (30072) | 72100 | Local Consultant | 0 | 10,799 | 0 | 10,799 | |
| 1.3.3 Develop raising awareness materials and activities on | | UNDP (001981) | MOF (30072) | 72640 | Grants | 3,456 | 13,823 | 0 | 17,279 | |

| | | | | | | | | | | |
|---|---|---|---------------|-------------|-------|-------------------------------------|---------------|----------------|----------|----------------|
| | | sustainability for ecotourism resources centres and events | UNDP (001981) | MOF (30072) | 71300 | Local Consultant | 0 | 9,719 | 0 | 9,719 |
| | | 1.3.4 Training of local producers in ethical fashion and design including a priority given to women entrepreneurship | UNDP (001981) | MOF (30072) | 72100 | Service Contract | 0 | 17,819 | 0 | 17,819 |
| | | UNDP Advisory Service 3 | UNDP (001981) | MOF (30072) | 64300 | UNDP Technical and Advisory Service | 2,052 | 12,041 | 0 | 14,093 |
| | | GMS | UNDP (001981) | MOF (30072) | 75100 | GMS | 1,354 | 7,947 | 0 | 9,301 |
| | | Sub-Total for Output 1.3 | | | | | 23,924 | 140,398 | 0 | 164,323 |
| Outcome 2: A sustainable and responsible ecotourism framework has been formulated and piloted at the community level | Output 2.1: Implemented pilot for local sustainable tourism packages | 2.1.1 Development of CBET destinations (ecotourism learning village) | UNDP (001981) | MOF (30072) | 71200 | International Consultants | 38,521 | 0 | 0 | 38,521 |
| | | | UNDP (001981) | MOF (30072) | 75700 | Workshop | 1,080 | 0 | 0 | 1,080 |
| | | | UNDP (001981) | MOF (30072) | 71600 | Travel | 14,623 | 2,160 | 0 | 16,783 |
| | | | UNDP (001981) | MOF (30072) | 72640 | Grants | 43,629 | 130,886 | 43,629 | 218,143 |
| | | | UNDP (001981) | MOF (30072) | 71300 | Local Consultant | 2,160 | 45,356 | 0 | 47,516 |
| | | 2.1.2 Study tour for local communities involved to discover best practices in Malaysia | UNDP (001981) | MOF (30072) | 72100 | Service Contract | 3,775 | 4,320 | 0 | 8,094 |
| | | | UNDP (001981) | MOF (30072) | 72640 | Grants | 6,479 | 25,918 | 0 | 32,397 |
| | | | UNDP (001981) | MOF (30072) | 71600 | Travel | 2,160 | 4,320 | 0 | 6,479 |
| | | 2.1.3 Branding destinations through trainings in digital marketing and the establishment of forward linkages with inbound tour operators. | UNDP (001981) | MOF (30072) | 72100 | Service Contract | 1,080 | 21,598 | 0 | 22,678 |
| | | | UNDP (001981) | MOF (30072) | 72640 | Grants | 10,367 | 41,469 | 0 | 51,836 |

| | | | | | | | | | | |
|---|---|---|---------------------------------|-------------|-------------------------------------|-------------------------------------|----------------|----------------|---------------|----------------|
| | | 2.1.4 Rehabilitate natural buffers in CBET destinations | UNDP (001981) | MOF (30072) | 72640 | Grants | 10,799 | 43,197 | 0 | 53,996 |
| | | UNDP Advisory Service 4 | UNDP (001981) | MOF (30072) | 64300 | UNDP Technical and Advisory Service | 13,673 | 30,553 | 4,799 | 49,026 |
| | | GMS | UNDP (001981) | MOF (30072) | 75100 | GMS | 8,901 | 20,987 | 2,906 | 32,793 |
| | | Sub-Total for Output 2.1 | | | | | 157,246 | 370,762 | 51,333 | 579,341 |
| | Output 2.2: Capacity of community operators on hospitality, waste management and tour guiding skills was built | 2.2.1 Gather evidence on key issues that hamper sustainable tourism development | UNDP (001981) | MOF (30072) | 72640 | Grants | 5,205 | 20,821 | 0 | 26,026 |
| UNDP (001981) | | | MOF (30072) | 71300 | Local Consultant | 3,996 | 15,443 | 0 | 19,438 | |
| 2.2.2 Training of operators on CSR/ ESG throughout the tourism value chain | | UNDP (001981) | MOF (30072) | 71300 | Local Consultant | 0 | 16,199 | 0 | 16,199 | |
| 2.2.3 Information campaign to promote and use CBET destinations as ecotourism learning village for other community operators | | UNDP (001981) | MOF (30072) | 71300 | Local Consultant | 3,564 | 11,987 | 0 | 15,551 | |
| 2.2.4 Three workshops for the exchange of experiences between the three zones selected in the framework of the mid-term evaluation in order to strengthen the dynamics of ownership and development of activities | | UNDP (001981) | MOF (30072) | 75700 | Workshop | 6,479 | 5,400 | 0 | 11,879 | |
| | | UNDP (001981) | MOF (30072) | 75700 | Workshop | 7,962 | 11,943 | 0 | 19,905 | |
| | | UNDP (001981) | MOF (30072) | 71600 | Travel | 1,080 | 1,080 | 0 | 2,160 | |
| UNDP Advisory Service 5 | | UNDP (001981) | MOF (30072) | 64300 | UNDP Technical and Advisory Service | 3,111 | 9,116 | 0 | 12,227 | |
| GMS | | UNDP (001981) | MOF (30072) | 75100 | GMS | 1,884 | 5,519 | 0 | 7,403 | |
| | | | Sub-Total for Output 2.2 | | | | | 33,281 | 97,507 | 0 |
| Project Management and M&E | Output 3:Project | Project management | UNDP (001981) | MOF (30072) | 71405 | Project manager | 15,551 | 31,102 | 15,551 | 62,203 |

| | | | | | | | | | | |
|--------------|-------------------------------|--|------------------|----------------|-------|---|----------------|----------------|----------------|------------------|
| | Management and M&E | | UNDP (001981) | MOF (30072) | 71405 | Project assistant | 0 | 15,551 | 7,775 | 23,326 |
| | | Monitoring and Evaluation | UNDP (001981) | MOF (30072) | 71200 | International Consultant | 0 | 6,479 | 13,495 | 19,975 |
| | | UNDP Advisory Service 6 | UNDP (001981) | MOF (30072) | 64397 | Direct project cost for management oversight, advisory and monitoring | 1,711 | 5,844 | 4,050 | 11,605 |
| | | Transaction-based services (UPL & LPL) | UNDP (001981) | MOF (30072) | 74596 | Direct project cost for transaction-based services | 864 | 1,080 | 648 | 2,592 |
| | | GMS | UNDP (001981) | MOF (30072) | 75100 | GMS | 1,088 | 3,603 | 2,491 | 7,182 |
| | | Sub-Total for Output 3 | | | | | 19,213 | 63,660 | 44,011 | 126,883 |
| Total | | | | | | | 309,813 | 876,763 | 109,321 | 1,295,896 |

8. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



Project Steering Committee (PSC)

A Project Steering Committee (PSC) serves as the Project Board. PSC provides overall guidance and direction to the project implementation process and ensures the sustainability of the project results beyond the project cycle. The PSC will be chaired by the Project Director which is the UNDP Resident Representative or Deputy Resident Representative, and the committee will comprise representatives from other portfolios and stakeholders if needed.

Sustainable Tourism Committee (STC)

A STC will be established at each destination to discuss all technical matters relating to the project at the respective destinations which will be chaired by the local authorities, and co-chaired by UNDP or as otherwise designated. UNDP personnel with members from various UNDP's team portfolios shall be a member of the STC, participating in regular progress meetings. The STC will be responsible to advise on technical issues related to the project and where applicable, technical support will be provided by experienced local and international professionals by UNDP. The STC will be part of destination existing Tourism Committee, where applicable this project STC is part of the agenda following this project's governance.

| Setiu | Manjung | Mersing |
|--|--|--|
| Members are proposed to be representatives of the relevant communities who are involved in the project, NGOs, relevant business operators and local government agencies. | Members are proposed to be representatives of the relevant communities who are involved in the project, NGOs, relevant business operators and local government agencies. | Members are proposed to be representatives of the relevant communities who are involved in the project, NGOs, relevant business operators and local government agencies. |

Project Management Unit

The **Project Management Unit** will comprise a Head of IGP Unit (Programme Specialist Inclusive Growth and Prosperity), Programme Analyst Prosperity (Project Manager) and Project Assistant/Associate, which will be supported by M&E, UNDP's Accelerator Lab, Social, Environment, and Governance units, where relevant. This includes introduction and pilot of future foresight and sensemaking approaches into project inception and implementation.

The **Project Manager** will manage the planned activities, coordinate with partners, oversee day-to-day work, monitor and report. The Project Manager will be responsible for coordinating project activities among the main stakeholders, ensuring the project document and project revisions are prepared and managing the project-related issues with supervision and overall direction from Head of IGP Unit (Programme Specialist Inclusive Growth and Prosperity).

The project will be supported by technical specialists (as and when necessary) such as Field Coordinator, Local tourism specialist, CBET specialist, Data Analyst/M&E Officer, Gender Specialist, Communications Officer.

Project Implementation

The project activities can be implemented through any of the following:

- a) UNDP direct implementation
- b) Government agencies as implementation institutions (responsible party)
 - Government agencies can be selected to serve as Responsible Parties by entering into an agreement (Letter of Agreement), which are exempted from competitive procurement process. They can be identified in this signed project document or project board decision.

- The following are local authorities identified as the project's Responsible Parties: (1) Mersing District Council (MDM) (2) Manjung Municipal Council (MPM), and (3) Setiu District Office (PDS).
- Responsibilities may include but not limited to the following: (i) execution part of the project activities agreed following national procedures, rules and regulation, as well as (ii) oversight of project execution by their selected local implementing agent(s) at the respective destination.

c) NGOs/CSOs as Responsible Party

UNDP may officially engage with NGOs/CSOs as project Responsible Parties through two possible contracting modalities as provided in UNDP's Programme and Operations Policies and Procedures (POPP).

- **Based on assessment of NGOs/CSOs collaborative advantage:** Engaging organisations in programmatic activities that are uniquely positioned in terms of their value, legitimacy and/or access to particular groups of beneficiaries or geographic areas. It is also suitable for delivering project outputs or a component of the project as opposed to well-defined inputs/activities.
- **Based on a competitive selection process:** Involves organisations to provide specific project inputs and/or undertake well-defined project activities in situations where competition is expected to optimize results.

d) NGOs/CSOs/CBOs or private sector as Grantees

- UNDP may also engage with NGOs/CSOs/CBOs/private sector through micro-capital grants, where UNDP supports an activity proposed by an NGOs/CSOs, within a project, by entering into a Low Value Grant Agreement. Grantees will be responsible for the achievement of grant objectives, which shall be monitored by UNDP.
- It is based on a competitive procurement process or an innovation challenge undertaken under a DIM project.
- They are subject to due diligence policies and procedures, and the Guidelines on Cooperation with the Business Sector where relevant if exceed the Low Grant Value threshold.

9. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated herein by reference, constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA); as such all provisions of the CPAP apply to this document. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner”, as such term is defined and used in the CPAP and this document.

Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) Assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.

10. RISK MANAGEMENT

Option b. UNDP (DIM)

- i) UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
- ii) UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]²⁹ [UNDP funds received pursuant to the Project Document]³⁰ are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
- iii) Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
- iv) UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
- v) In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.

²⁹ To be used where UNDP is the Implementing Partner

³⁰ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

- vi) All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
- vii) UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
 - Consistent with the Article III of the SBAA [*for the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
 - UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
 - In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
 - Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
 - The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
 - In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
 - Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.
 - Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.
- Note: The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.
- Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled “Risk Management Standard Clauses” are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

Special Clauses. In case of government cost-sharing through the project, the following clauses should be included:

1. The schedule of payments and UNDP bank account details.
2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.
6. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to obtain the additional funds required.
7. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph [] above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
8. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

9. In accordance with the decisions and directives of UNDP's Executive Board:
 - a. The contribution shall be charged:
 - [6%] cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
 - Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.
10. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
11. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.”

11. ANNEXES

ANNEX 1: PROJECT QUALITY ASSURANCE REPORT

PROJECT QA ASSESSMENT: DESIGN AND APPRAISAL

OVERALL PROJECT

| EXEMPLARY (5) ●●●●● | HIGHLY SATISFACTORY (4) ●●●●○ | SATISFACTORY (3) ●●●○○ | NEEDS IMPROVEMENT (2) ●●○○○ | INADEQUATE (1) ●○○○○ |
|---|--|--|--|--|
| At least four criteria are rated Exemplary, and all criteria are rated High or Exemplary. | All criteria are rated Satisfactory or higher, and at least four criteria are rated High or Exemplary. | At least six criteria are rated Satisfactory or higher, and only one may be rated Needs Improvement. The Principled criterion must be rated Satisfactory or above. | At least three criteria are rated Satisfactory or higher, and only four criteria may be rated Needs Improvement. | One or more criteria are rated Inadequate, or five or more criteria are rated Needs Improvement. |

DECISION

- **APPROVE** – the project is of sufficient quality to be approved in its current form. Any management actions must be addressed in a timely manner.
- **APPROVE WITH QUALIFICATIONS** – the project has issues that must be addressed before the project document can be approved. Any management actions must be addressed in a timely manner.
- **DISAPPROVE** – the project has significant issues that should prevent the project from being approved as drafted.

RATING CRITERIA

For all questions, select the option that best reflects the project

STRATEGIC

1. Does the project specify how it will contribute to higher level change through linkage to the programme’s Theory of Change?

- **3:** The project is clearly linked to the programme’s theory of change. It has an explicit change pathway that explains how the project will contribute to outcome level change and why the project’s strategy will likely lead to this change. This analysis is backed by credible evidence of what works effectively in this context and includes assumptions and risks.
- **2:** The project is clearly linked to the programme’s theory of change. It has a change pathway that explains how the project will contribute to outcome-level change and why the project strategy will likely lead to this change.

| | |
|--|---|
| 3 | 2 |
| 1 | |
| Evidence | |
| Yes. The theory of change that informs UNDP’s contribution to this outcome area is that the if interventions to facilitate and promote an inclusive and sustainable ecotourism sector can be devised to contribute meaningfully to | |

| | | |
|---|--|---|
| <ul style="list-style-type: none"> • 1: The project document may describe in generic terms how the project will contribute to development results, without an explicit link to the programme's theory of change. <p><i>*Note: Projects not contributing to a programme must have a project-specific Theory of Change. See alternative question under the lightbulb for these cases.</i></p> | <p>livelihoods generation and supply of innovative services and responsible, and consequently to economic diversification, transformative inclusive green growth, and accelerate progress towards the achievement of the SDGs in each of the selected areas and if good governance be a fundamental building block for progressive tourism development that prioritises community and nature, then the resilience and risk management of micro, small and medium-enterprises & tour operators will be increased through conducive business environment and a conducive sustainable and responsible ecotourism framework is formulated and tested at the community level.</p> | |
| <p>2. Is the project aligned with the UNDP Strategic Plan?</p> <ul style="list-style-type: none"> • 3: The project responds to at least one of the development settings as specified in the Strategic Plan³¹ and adapts at least one Signature Solution³². The project's RRF includes all the relevant SP output indicators. <i>(all must be true)</i> • 2: The project responds to at least one of the development settings as specified in the Strategic Plan⁴. The project's RRF includes at least one SP output indicator, if relevant. <i>(both must be true)</i> • 1: The project responds to a partner's identified need, but this need falls outside of the UNDP Strategic Plan. Also select this option if none of the relevant SP indicators are included in the RRF. | 3 | 2 |
| 1 | | |
| Evidence | | |
| <p>Initiatives under this outcome directly respond to building resilience (communities and businesses against impact of COVID-19) and attempts to structural transformation (tourism sector into ecotourism) as specified in UNDP SP 2022-2025.</p> <p>Initiatives under this outcome area will contribute to national objectives under SDG 5, 8, 10, 11, 12, 13, 14, 15.</p> <p>This initiative will contribute directly to Signature Solution 3, and SDG 8, 10, 11 and 12. It will also have an impact addressing environmental issues through ecotourism concept that contribute to Signature Solution 4 and SDG 13, 14 and 15.</p> <p>SDG 5 and Signature Solution 6 will be addressed through the inclusion of gender lens analysis and gender responsive initiatives in this exercise.</p> | | |

³¹ The three development settings in UNDP's 2018-2021 Strategic Plan are: a) Eradicate poverty in all its forms and dimensions; b) Accelerate structural transformations for sustainable development; and c) Build resilience to shocks and crises

³² The six Signature Solutions of UNDP's 2018-2021 Strategic Plan are: a) Keeping people out of poverty; b) Strengthen effective, inclusive and accountable governance; c) Enhance national prevention and recovery capacities for resilient societies; d) Promote nature based solutions for a sustainable planet; e) Close the energy gap; and f) Strengthen gender equality and the empowerment of women and girls.

| | | |
|---|------------|-----------|
| <p>3. Is the project linked to the programme outputs? (i.e., UNDAF Results Group Workplan/CPD, RPD or Strategic Plan IRRF for global projects/strategic interventions not part of a programme)</p> | <p>Yes</p> | <p>No</p> |
| <p>RELEVANT</p> | | |
| <p>4. Does the project target groups left furthest behind?</p> <ul style="list-style-type: none"> • 3: The target groups are clearly specified, prioritising discriminated and marginalized groups left furthest behind, identified through a rigorous process based on evidence. • 2: The target groups are clearly specified, prioritizing groups left furthest behind. • 1: The target groups are not clearly specified. <p><i>*Note: Management Action must be taken for a score of 1. Projects that build institutional capacity should still identify targeted groups to justify support</i></p> | <p>3</p> | <p>2</p> |
| <p>1</p> | | |
| <p>Evidence</p> <p>The project empowers the vulnerable and disadvantaged groups by enabling the participation of the target beneficiaries in the co-design of project interventions, building project activities to be undertaken by the vulnerable groups (impacted by COVID-19) with the aim to support green recovery, and ensuring representation of the vulnerable groups in the destination's STC. Community groups including those who represent the interests of affected and marginalised groups have been contacted in the project formulation process and their interest are integrated into the results framework, with an explicit focus to support gender and youth.</p> <p>This intervention will enhance or broaden the horizon of the way the government understands community and business resilience to support informed policy and design intervention.</p> | | |
| <p>5. Have knowledge, good practices, and past lessons learned of UNDP and others informed the project design?</p> <ul style="list-style-type: none"> • 3: Knowledge and lessons learned backed by credible evidence from sources such as evaluation, corporate policies/strategies, and/or monitoring have been explicitly used, with appropriate referencing, to justify the approach used by the project. • 2: The project design mentions knowledge and lessons learned backed by evidence/sources, but have not been used to justify the approach selected. • 1: There is little or no mention of knowledge and lessons learned informing the project design. Any references made are anecdotal and not backed by evidence. <p><i>*Note: Management Action or strong management justification must be given for a score of 1</i></p> | <p>3</p> | <p>2</p> |
| <p>1</p> | | |
| <p>Evidence</p> <p>The design of the project has integrated overarching human rights/LNOB principles by upholding bottom up and participatory / consultative approaches in designing the project. This is pertinent in verifying the needs of the intended beneficiaries to ensure the objective of the project is met objectively and the project activities fully constructed and priorities based on local needs.</p> | | |

| | | |
|---|----------|----------|
| <p>6. Does UNDP have a clear advantage to engage in the role envisioned by the project vis-à-vis national/regional/global partners and other actors?</p> <ul style="list-style-type: none"> • 3: An analysis has been conducted on the role of other partners in the area where the project intends to work, and credible evidence supports the proposed engagement of UNDP and partners through the project, including identification of potential funding partners. It is clear how results achieved by partners will complement the project's intended results and a communication strategy is in place to communicate results and raise visibility vis-à-vis key partners. Options for south-south and triangular cooperation have been considered, as appropriate. <i>(all must be true)</i> • 2: Some analysis has been conducted on the role of other partners in the area where the project intends to work, and relatively limited evidence supports the proposed engagement of and division of labour between UNDP and partners through the project, with unclear funding and communications strategies or plans. • 1: No clear analysis has been conducted on the role of other partners in the area that the project intends to work. There is risk that the project overlaps and/or does not coordinate with partners' interventions in this area. Options for south-south and triangular cooperation have not been considered, despite its potential relevance. <p><i>*Note: Management Action or strong management justification must be given for a score of 1</i></p> | 3 | 2 |
| 1 | | |
| Evidence | | |
| <p>Yes. UNDP have a clear advantage to support the local and federal Government in the Sustainable Tourism Recovery. UNDP has drawn from its strong global network of expertise and partnerships to assist and guide the design of the project. At the project implementation stage, national and international experts as well as cross COs experience will be leveraged to bring in lesson learnt that can be piloted at destination. A communication strategy plan including SSC/TrC is part of the core components of this project.</p> | | |
| PRINCIPLED (SATISFACTORY) | | |
| <p>7. Does the project apply a human rights-based approach?</p> <ul style="list-style-type: none"> • 3: The project is guided by human rights and incorporates the principles of accountability, meaningful participation, and non-discrimination in the project's strategy. The project upholds the relevant international and national laws and standards. Any potential adverse impacts on enjoyment of human rights were rigorously identified and assessed as relevant, with appropriate mitigation and management measures incorporated into project design and budget. <i>(all must be true)</i> • 2: The project is guided by human rights by prioritizing accountability, meaningful participation and non-discrimination. Potential adverse impacts on enjoyment of human rights were identified and assessed as relevant, and appropriate mitigation and management measures incorporated into the project design and budget. <i>(both must be true)</i> • 1: No evidence that the project is guided by human rights. Limited or no evidence that potential adverse impacts on enjoyment of human rights were considered. <p><i>*Note: Management action or strong management justification must be given for a score of 1</i></p> | 3 | 2 |
| 1 | | |
| Evidence | | |
| <p>The project integrates principle of human-rights in its core activities from the design to implementation stage through meaningful participation of representative of beneficiaries including Government officials, relevant NGOs/CSOs and the local community-based organizations and groups such as women and indigenous. This Sustainable Tourism project is designed to address vulnerable groups impacted by COVID -19 pandemic. Intended beneficiaries are the local communities and MSMEs working in the tourism sector in 3 sites: Manjung, Perak; Setiu, Terengganu; and Mersing, Johor with interventions towards green recovery in the tourism sector, in line with the government priorities to support economic recovery.</p> | | |
| <p>8. Does the project use gender analysis in the project design?</p> | 3 | 2 |
| 1 | | |

| | | | | | | | | |
|--|---|----------|------------|-----------|----------|----------|--|--|
| <ul style="list-style-type: none"> • 3: A participatory gender analysis has been conducted and results from this gender analysis inform the development challenge, strategy and expected results sections of the project document. Outputs and indicators of the results framework include explicit references to gender equality, and specific indicators measure and monitor results to ensure women are fully benefitting from the project. <i>(all must be true)</i> • 2: A basic gender analysis has been carried out and results from this analysis are scattered (i.e., fragmented and not consistent) across the development challenge and strategy sections of the project document. The results framework may include some gender sensitive outputs and/or activities but gender inequalities are not consistently integrated across each output. <i>(all must be true)</i> • 1: The project design may or may not mention information and/or data on the differential impact of the project’s development situation on gender relations, women and men, but the gender inequalities have not been clearly identified and reflected in the project document. <p>*Note: Management Action or strong management justification must be given for a score of 1</p> | <p style="text-align: center;">Evidence</p> <p>Based on the gender analysis and assessment, the project design includes focus on gender-sensitive project design and implementation to ensure gender equity is maximized and emphasised. Additionally, by focusing on gender-sensitive strategies and initiatives, the project ensures that women are empowered through initiatives that attempt to overcome social and structural barriers that may hinder women from participating and benefiting from the project. Inputs and findings from gender-inclusive project implementation will also be useful to develop gender-responsive recovery policy in the future for tourism sector.</p> | | | | | | | |
| <p>9. Did the project support the resilience and sustainability of societies and/or ecosystems?</p> <ul style="list-style-type: none"> • 3: Credible evidence that the project addresses sustainability and resilience dimensions of development challenges, which are integrated in the project strategy and design. The project reflects the interconnections between the social, economic and environmental dimensions of sustainable development. Relevant shocks, hazards and adverse social and environmental impacts have been identified and rigorously assessed with appropriate management and mitigation measures incorporated into project design and budget. <i>(all must be true)</i>. • 2: The project design integrates sustainability and resilience dimensions of development challenges. Relevant shocks, hazards and adverse social and environmental impacts have been identified and assessed, and relevant management and mitigation measures incorporated into project design and budget. <i>(both must be true)</i> • 1: Sustainability and resilience dimensions and impacts were not adequately considered. <p>*Note: Management action or strong management justification must be given for a score of 1</p> | <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 33%;">3</td> <td style="width: 33%;"></td> <td style="width: 33%;">2</td> </tr> <tr> <td colspan="3">1</td> </tr> </table> <p style="text-align: center;">Evidence</p> <p>The sustainable tourism project has been engaging the local authorities throughout the design stage and will further partner with local authorities during implementation of the projects. To ensure ownership and sustainability of the project (as part of the exit strategy), local authorities are proposed (and accepted by all destinations – to date) as co-chair at each destinations’ sustainable tourism committee (STC) – a technical working group with UNDP, although this is a Direct Implemented Modality (DIM) project. By working with Governments and partners towards ‘risk-informed’ national, local and sectoral development planning processes, UNDP helps build the resilience of communities and nations. This includes identifying and addressing the interconnections among issues related to the environment, human rights, conflict, crises and vulnerability, where relevant.</p> | | 3 | | 2 | 1 | | |
| 3 | | 2 | | | | | | |
| 1 | | | | | | | | |
| <p>10. Has the Social and Environmental Screening Procedure (SESP) been conducted to identify potential social and environmental impacts and risks? The SESP is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences and/or communication materials and information dissemination. [if yes, upload the completed checklist. If SESP is not required, provide the reason for the exemption in the evidence section.]</p> | <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 50%;">Yes</td> <td style="width: 50%;">No</td> </tr> </table> <p>SESP has been conducted. Currently SESP has identified the project risk as moderate. Please refer to SESP log for more details.</p> | | Yes | No | | | | |
| Yes | No | | | | | | | |
| <p>MANAGEMENT & MONITORING (SATISFACTORY)</p> | | | | | | | | |
| <p>11. Does the project have a strong results framework?</p> | <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 33%;">3</td> <td style="width: 33%;"></td> <td style="width: 33%;">2</td> </tr> <tr> <td colspan="3">1</td> </tr> </table> | | 3 | | 2 | 1 | | |
| 3 | | 2 | | | | | | |
| 1 | | | | | | | | |

| | | | | | | | | | |
|--|---|---|---|---|--|-----------------|--|--|--|
| <ul style="list-style-type: none"> • 3: The project’s selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators that measure the key expected development changes, each with credible data sources and populated baselines and targets, including gender sensitive, target group focused, sex-disaggregated indicators where appropriate. <i>(all must be true)</i> • 2: The project’s selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators, but baselines, targets and data sources may not yet be fully specified. Some use of target group focused, sex-disaggregated indicators, as appropriate. <i>(all must be true)</i> • 1: The project’s selection of outputs and activities are not at an appropriate level; outputs are not accompanied by SMART, results-oriented indicators that measure the expected change and have not been populated with baselines and targets; data sources are not specified, and/or no gender sensitive, sex-disaggregation of indicators. <i>(if any is true)</i> <p>*Note: Management Action or strong management justification must be given for a score of 1</p> | <p style="text-align: center;">Evidence</p> <p>The indicators set for each output are results-oriented which measure the expected development changes with credible data sources and populated baselines and targets, including gender-sensitive, target group focused and sex-disaggregated indicators where appropriate.</p> | | | | | | | | |
| <p>12. Is the project’s governance mechanism clearly defined in the project document, including composition of the project board?</p> <ul style="list-style-type: none"> • 3: The project’s governance mechanism is fully defined. Individuals have been specified for each position in the governance mechanism (especially all members of the project board.) Project Board members have agreed on their roles and responsibilities as specified in the terms of reference. The ToR of the project board has been attached to the project document. <i>(all must be true)</i>. • 2: The project’s governance mechanism is defined; specific institutions are noted as holding key governance roles, but individuals may not have been specified yet. The project document lists the most important responsibilities of the project board, project director/manager and quality assurance roles. <i>(all must be true)</i> • 1: The project’s governance mechanism is loosely defined in the project document, only mentioning key roles that will need to be filled at a later date. No information on the responsibilities of key positions in the governance mechanism is provided. <p>*Note: Management Action or strong management justification must be given for a score of 1</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">3</td> <td style="width: 50%; text-align: center;">2</td> </tr> <tr> <td colspan="2" style="text-align: center;">1</td> </tr> <tr> <td colspan="2" style="text-align: center;">Evidence</td> </tr> <tr> <td colspan="2"> <p>As this is a DIM project, the project will be governed by a Project Steering Committee (PSC) chaired by the UNDP Deputy Resident Representative. However, to ensure the sustainability and ownership of the project, the technical working level called Sustainable Tourism Committee (STC), which in this case located at each destination is co-chaired by UNDP and Management of Local Authorities. The ToR of the PSC and STC has been developed but the composition of members shall be finalised based on the feedback from each destination.</p> </td> </tr> </table> | 3 | 2 | 1 | | Evidence | | <p>As this is a DIM project, the project will be governed by a Project Steering Committee (PSC) chaired by the UNDP Deputy Resident Representative. However, to ensure the sustainability and ownership of the project, the technical working level called Sustainable Tourism Committee (STC), which in this case located at each destination is co-chaired by UNDP and Management of Local Authorities. The ToR of the PSC and STC has been developed but the composition of members shall be finalised based on the feedback from each destination.</p> | |
| 3 | 2 | | | | | | | | |
| 1 | | | | | | | | | |
| Evidence | | | | | | | | | |
| <p>As this is a DIM project, the project will be governed by a Project Steering Committee (PSC) chaired by the UNDP Deputy Resident Representative. However, to ensure the sustainability and ownership of the project, the technical working level called Sustainable Tourism Committee (STC), which in this case located at each destination is co-chaired by UNDP and Management of Local Authorities. The ToR of the PSC and STC has been developed but the composition of members shall be finalised based on the feedback from each destination.</p> | | | | | | | | | |
| <p>13. Have the project risks been identified with clear plans stated to manage and mitigate each risk?</p> <ul style="list-style-type: none"> • 3: Project risks related to the achievement of results are fully described in the project risk log, based on comprehensive analysis drawing on the programme’s theory of change, Social and Environmental Standards and screening, situation analysis, capacity assessments and other analysis such as funding potential and reputational risk. Risks have been identified through a consultative process with key internal and external stakeholders. Clear and complete plan in place to manage and mitigate each risk, reflected in project budgeting and monitoring plans. <i>(both must be true)</i> • 2: Project risks related to the achievement of results are identified in the initial project risk log based on a minimum level of analysis and consultation, with mitigation measures identified for each risk. • 1: Some risks may be identified in the initial project risk log, but no evidence of consultation or analysis and no clear risk mitigation measures identified. This option is also selected if risks are not clearly identified and/or no initial risk log is included with the project document. <p>*Note: Management Action must be taken for a score of 1</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">3</td> <td style="width: 50%; text-align: center;">2</td> </tr> <tr> <td colspan="2" style="text-align: center;">1</td> </tr> <tr> <td colspan="2" style="text-align: center;">Evidence</td> </tr> <tr> <td colspan="2"> <p>Risk related to the project is fully described in the project risk log as well as in the SESP. Clear and complete plan is in place to manage and mitigate each risk, reflected in the project budgeting and monitoring plan.</p> </td> </tr> </table> | 3 | 2 | 1 | | Evidence | | <p>Risk related to the project is fully described in the project risk log as well as in the SESP. Clear and complete plan is in place to manage and mitigate each risk, reflected in the project budgeting and monitoring plan.</p> | |
| 3 | 2 | | | | | | | | |
| 1 | | | | | | | | | |
| Evidence | | | | | | | | | |
| <p>Risk related to the project is fully described in the project risk log as well as in the SESP. Clear and complete plan is in place to manage and mitigate each risk, reflected in the project budgeting and monitoring plan.</p> | | | | | | | | | |
| <p>EFFICIENT (satisfactory)</p> | | | | | | | | | |

| | | |
|---|---|--------|
| <p>14. Have specific measures for ensuring cost-efficient use of resources been explicitly mentioned as part of the project design? This can include, for example: i) using the theory of change analysis to explore different options of achieving the maximum results with the resources available; ii) using a portfolio management approach to improve cost effectiveness through synergies with other interventions; iii) through joint operations (e.g., monitoring or procurement) with other partners; iv) sharing resources or coordinating delivery with other projects, v) using innovative approaches and technologies to reduce the cost of service delivery or other types of interventions.</p> <p><i>(Note: Evidence of at least one measure must be provided to answer yes for this question)</i></p> | Yes (3) | No (1) |
| <p>15. Is the budget justified and supported with valid estimates?</p> <ul style="list-style-type: none"> • 3: The project's budget is at the activity level with funding sources, and is specified for the duration of the project period in a multi-year budget. Realistic resource mobilisation plans are in place to fill unfunded components. Costs are supported with valid estimates using benchmarks from similar projects or activities. Cost implications from inflation and foreign exchange exposure have been estimated and incorporated in the budget. Adequate costs for monitoring, evaluation, communications and security have been incorporated. • 2: The project's budget is at the activity level with funding sources, when possible, and is specified for the duration of the project in a multi-year budget, but no funding plan is in place. Costs are supported with valid estimates based on prevailing rates. • 1: The project's budget is not specified at the activity level, and/or may not be captured in a multi-year budget. | 3 | 2 |
| <p>16. Is the Country Office/Regional Hub/Global Project fully recovering the costs involved with project implementation?</p> <ul style="list-style-type: none"> • 3: The budget fully covers all project costs that are attributable to the project, including programme management and development effectiveness services related to strategic country programme planning, quality assurance, pipeline development, policy advocacy services, finance, procurement, human resources, administration, issuance of contracts, security, travel, assets, general services, information and communications based on full costing in accordance with prevailing UNDP policies (i.e., UPL, LPL.) • 2: The budget covers significant project costs that are attributable to the project based on prevailing UNDP policies (i.e., UPL, LPL) as relevant. • 1: The budget does not adequately cover project costs that are attributable to the project, and UNDP is cross-subsidizing the project. <p><i>*Note: Management Action must be given for a score of 1. The budget must be revised to fully reflect the costs of implementation before the project commences.</i></p> | 3 | 2 |
| <p>EFFECTIVE (satisfactory)</p> | | |
| <p>17. Have targeted groups been engaged in the design of the project?</p> <ul style="list-style-type: none"> • 3: Credible evidence that all targeted groups, prioritising discriminated and marginalized populations that will be involved in or affected by the project, have been actively engaged in the design of the project. The project has an explicit strategy to identify, engage and ensure the meaningful participation of target groups as stakeholders throughout the project, including through monitoring and decision-making (e.g., representation on the project board, inclusion in samples for evaluations, etc.) • 2: Some evidence that key targeted groups have been consulted in the design of the project. • 1: No evidence of engagement with targeted groups during project design. | 3 | 2 |
| | <p style="text-align: center;">Evidence</p> <p>The intended beneficiaries of the project are primarily destination's communities and MSMEs. These beneficiaries have been heavily consulted with guidance from the local authorities, with the recommendation from State and Federal Government. The project design, and approaches have been verified with stakeholders and project activities have been co-created, selected and</p> | |

| | | |
|--|---|-----------|
| | prioritised by the stakeholders (policy maker, local authorities, representatives from various government agencies, NGOs, CSOs and representatives from selected communities). | |
| 18. Does the project plan for adaptation and course correction if regular monitoring activities, evaluation, and lesson learned demonstrate there are better approaches to achieve the intended results and/or circumstances change during implementation? | Yes (3) | No (1) |
| 19. The gender marker for all project outputs are scored at GEN2 or GEN3, indicating that gender has been fully mainstreamed into all project outputs at a minimum. | Yes (3) | No (1) |
| *Note: Management Action or strong management justification must be given for a score of "no" | <p>Gender marker for this project is GEN2. The project will integrate gender mainstreaming such as:</p> <ul style="list-style-type: none"> ○ establishing enabling environment for good governance in decision-making to support ecotourism development including conducting a participatory approach in developing codes of conduct for visitors and tourism professionals; ○ Gender approach in grouping participants for capacity building activities on digital training; financial literacy, e-payment, social media marketing, and business management for MSMEs; ○ mainstreaming gender in piloting local sustainable tourism packages including developing ecotourism learning centre, which aims to address disparities through the empowerment of vulnerable and disadvantaged groups by assessing baseline gaps and determining specific interventions including gender-based activities. | |
| SUSTAINABILITY & NATIONAL OWNERSHIP | | |
| 20. Have national/regional/global partners led, or proactively engaged in, the design of the project? | 3 | 2 |
| <ul style="list-style-type: none"> • 3: National partners (or regional/global partners for regional and global projects) have full ownership of the project and led the process of the development of the project jointly with UNDP. • 2: The project has been developed by UNDP in close consultation with national/regional/global partners. • 1: The project has been developed by UNDP with limited or no engagement with national partners. | 1 | |
| | Government counterparts at all 3 level of government such as Federal, State and Local Authorities (including relevant state and federal government agencies directly working at each destination) have been engaged extensively during the project design. | |
| | The project is also guided by each destination's local authority as partners to ensure the project's destination ownership. | |
| | 3 | 2 |
| | 1 | |

| | | |
|--|---|---------------|
| <p>21. Are key institutions and systems identified, and is there a strategy for strengthening specific/comprehensive capacities based on capacity assessments conducted?</p> <ul style="list-style-type: none"> • 3: The project has a strategy for strengthening specific capacities of national institutions and/or actors based on a completed capacity assessment. This strategy includes an approach to regularly monitor national capacities using clear indicators and rigorous methods of data collection, and adjust the strategy to strengthen national capacities accordingly. • 2: A capacity assessment has been completed. There are plans to develop a strategy to strengthen specific capacities of national institutions and/or actors based on the results of the capacity assessment. • 1: Capacity assessments have not been carried out. | <p>Capacity assessment is planned to be conducted in the inception phase for the interested (non-government) parties that would like to be implementing partners. HACT will be carried out for national partners according to POPP guideline.</p> | |
| <p>22. Is there is a clear strategy embedded in the project specifying how the project will use national systems (i.e., procurement, monitoring, evaluations, etc.,) to the extent possible?</p> | <p>Yes (3)</p> | <p>No (1)</p> |
| <p>23. Is there a clear transition arrangement/ phase-out plan developed with key stakeholders in order to sustain or scale up results (including resource mobilisation and communications strategy)?</p> | <p>Yes (3)</p> <p>The project will be monitored through Project Steering Committee (PSC) and destinations' Sustainable Tourism Committee (STC) which ensures decision making at destination level are owned by the local authority in charge or leading the tourism sector at each destination.</p> | <p>No (1)</p> |

ANNEX 2: SOCIAL AND ENVIRONMENTAL SCREENING

Project Information

| Project Information | |
|--|--------------------------------------|
| 1. Project Title | Sustainable Tourism Recovery Project |
| 2. Project Number (i.e. Atlas project ID, PIMS+) | |
| 3. Location (Global/Region/Country) | Malaysia |
| 4. Project stage (Design or Implementation) | Design |
| 5. Date | 14 June 2022 |

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the project mainstreams the human rights-based approach

The project integrates overarching human rights/LNOB principles in order to strengthen social and environmental outcomes by including measures to assist the national, state and local governments to realize human rights. UNDP consistently applies the Human Rights Based approach (HRBA) in all programming, taking into account the responsibilities of the duty-bearers and the needs of the right-holders. This project will be implemented using a human rights-based approach centered on empowerment, inclusion, equity, human agency and human development. The project will mainstream this approach in the following ways:

- The project empowers vulnerable and disadvantaged groups by enabling the participation of the target beneficiaries in the co-design of project interventions, building project activities to be undertaken by the vulnerable groups, and ensuring representation of the vulnerable groups in the project board. Intended beneficiaries are the local residents and MSMEs working in the tourism sector in 3 sites: Manjung, Perak; Setiu, Terengganu; and Mersing, Johor who have been adversely affected by the COVID-19 pandemic.
- The project aims to support an inclusive and green recovery in the rural area via interventions in stimulating the tourism sector, in line with the government priorities to support rural economic recovery.
- The project will specifically support rural communities to meaningfully participate in the tourism pilots, and benefit socio-economically from the initiatives. Community groups, including those who represent the interests of potentially affected marginalized groups, have been contacted early in the project formulation process to elicit their interest and cooperation. Short-term positive impacts expected include: capacity building (among duty bearers and targeted beneficiaries groups) in environment protection, nature-based tourism, alternative livelihoods, and sustainable tourism management.
- The needs of the vulnerable groups are therefore integrated into the results framework. The project is scheduled to undertake baseline assessment to inform the target setting. There will be explicit focus to support gender and youth.
- The project will facilitate engagement between target beneficiaries and duty bearers i.e., the local district council officials and other state department offices (tourism, housing and local government) to enhance capacity of the local government to support the recovery in the local tourism sector. This is aimed to ensure project ownership and sustainability of outcomes.

Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment

This is a GEN 2 project that will contribute significantly to gender equality and women's empowerment. To ensure meaningful gender considerations in the project interventions, a gender specialist will be hired during the project implementation stage to develop a Gender Analysis as well as to oversee the implementation of a Project Gender Action Plan. Specifically, the project will implement the following things:

- A Gender Analysis will be undertaken to determine gender dynamics and women's economic participation at the 3 target sites to inform gender activities.

- The project will ensure that it benefits women, girls, and non-binary individuals. For example, gender disaggregated data have been established for 2 indicators, specifically Output 1.2 and 2.1.
- Engagement and consultation of local women's groups to ensure that the activities are designed in a manner that responds to local gender nuances.
- Capacity building and training will be implemented for women's groups to ensure that they build the needed skillsets to successfully implement the livelihood activities.

Adequate project funding will be allocated to ensure that gender equality will be addressed in the project implementation phase. All project components at the local level are envisioned to have a positive impact on gender equality and participation through the development and inclusion of specific indicators and targets in the relevant project activities. The project will also increase women's participation in decision-making, business development, and benefit-sharing mechanisms.

Briefly describe in the space below how the project mainstreams sustainability and resilience

Through this project, UNDP seeks to address poverty, inequality and reduce stakeholders' vulnerabilities while maintaining and enhancing natural capital.

The project will mainstream resilience to future shocks in the following ways:

- Identify, assess, and monitor disaster risks (such as floods) and improve early warning for tour operators and potential travelers. This includes support for the development of early warning protocols to integrate early warning systems into decision-making processes and emergency management systems (including awareness raising campaigns and the organization of exercises with local emergency response agencies, such as the fire brigade.)
- Train travel agents, tour guides, and operators about safety and security with respect to natural disasters to facilitate the emergency response and recovery processes and to increase visitor confidence in the capacity of the local communities.
- Provide capacity building on systematic disaster loss inventory methodologies for operators, local government staff and managers, including disaster preparedness plans.
- Provide training activities on how to adapt or build tourism infrastructure and products that are less susceptible to natural disasters.

A significant contribution will also be building capacity of the local government to deliver support to their communities, as well as connecting local level efforts with the national level government priorities to ensure sustainable investment towards sustainable and resilient recovery in targeted communities who depends on rejuvenation in the tourism sector.

Briefly describe in the space below how the project strengthens accountability to stakeholders

The project, in line with UNDP principles, promotes accountability to stakeholders by:

- Enabling active local community engagement and participation in decision-making, particularly targeted at those at risk of being left behind;
- Ensuring transparency through provision of timely and accessible information regarding supported activities, including on potential environmental and social risks and impacts and management measures;
- Ensuring stakeholders can communicate their concerns and have access to complaints redress processes and mechanisms, including the GRM, SRM and SECU.
- Ensuring effective monitoring and reporting on implementation of social and environmental risk management measures including those related to human rights. In particular, a Risk log, a Gender Action Plan, a Stakeholder Engagement Plan and a Grievance Mechanism have/will be put in place to ensure accountability to stakeholders.

A local steering committee will also be set up at each site to embed decision making at the local level.

Part B. Identifying and Managing Social and Environmental Risks

| QUESTION 2: What are the Potential Social and Environmental Risks? <i>Note: Complete SESP Attachment 1 before responding to Question 2.</i> | QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 5</i> | | | QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High |
|--|--|--|----------------------------|---|
| Risk Description (broken down by event, cause, impact) | Impact and Likelihood (1-5) | Significance (Low, Moderate, Substantial, High) | Comments (optional) | Description of assessment and management measures for risks rated as Moderate, Substantial or High |
| Human Rights Risk 1: (If) There is a risk that the implementing partners (i.e. duty bearers) do not have the capacity to meet their obligations to the duty holder (stakeholders), | I = 4 L = 3 | Low | | The Stakeholder Response Mechanism (and possibly a Grievance Redress Mechanism) will be established and led by UNDP. At the project site, a Sustainable Tourism Committee will be set up and provide grievance mechanism for the local communities. The project field staff will ensure that they are available to assist with triggering a grievance or complaint. |

| | | | | |
|---|------------------------|-----------------|--|--|
| <p>(Then) implementation such as SES outputs as stakeholder engagement, FPIC, and the Grievance Mechanism will be affected.</p> <p>Category: SE Risk</p> | | | | |
| <p>Accountability</p> <p>Risk 2: (If) Stakeholders perceive unequal distribution of project benefit (particularly the profits from the livelihood activities and micro-grants),</p> <p>(Then) higher grievances may raised by communities, which resulting social tension.</p> <p>Category: Social & Environmental 1.5 Accountability</p> <p>Human Rights Principle/No one left behind</p> | <p>I = 4 L = 2</p> | <p>Moderate</p> | | <p>The Stakeholder Response Mechanism (and possibly a Grievance Redress Mechanism) will be established and led by UNDP. At the project site, a Sustainable Tourism Committee will be set up and provide grievance mechanism for the local communities. The project field staff will ensure that they are available to assist with triggering a grievance or complaint.</p> |
| <p>Project level Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management</p> <p>Risk 3: (If) The tourism activities are implemented in a protected area/ environmentally sensitive areas adjacent to the communities,</p> | <p>I = 3 L = 2</p> | <p>Moderate</p> | <p>The project's outputs may involve habitats and environmentally sensitive areas, and while the intention of the project is to protect these areas, the proposed livelihoods outputs such as community enterprises and eco-</p> | <p>The nature-based experiences must be designed using best practices related to having low environmental impact that is appropriate for eco-tourism. This will be provided and monitored via the ESMF.</p> |

| | | | | |
|---|------------------------|-----------------|---|--|
| <p>(Then) it may harm biodiversity and the local ecosystem,</p> <p>Category: Sub-cat: 1.6 Biodiversity Conservation and Sustainable Natural Resource Management</p> | | | <p>tourism may exacerbate sensitive areas.</p> | |
| <p>Project level Standard 2: Climate Change and Disaster Risks</p> <p>Risk 4: (If) Project activities missed to integrate climate change considerations and measures,</p> <p>(Then) it may render project outputs vulnerable to the impact of climate change</p> <p>Cat: SES Subcat: 1.7 Climate change and Disaster Risks</p> | <p>I = 2 L = 4</p> | <p>Moderate</p> | <p>2 of the project sites (i.e. Setiu and Mersing) face extreme weather events such as floods and heavy rains – during yearly monsoon season.</p> | <p>As envisioned in the activity design, all activities will be required to be implemented in a manner that will ensure their resilience to extreme weather events. This will be provided and monitored via the ESMF.</p> |
| <p>Project level Standard 3: Community Health, Safety and Security</p> <p>Risk 5: (If) There is a risk that the COVID-19 pandemic cases increased,</p> | <p>I = 2 L = 2</p> | <p>Low</p> | <p>The project will be rolled out in what is anticipated to be an environment/situation that is not significantly impacted by COVID-19, however, a surge still remain eminently possible.</p> | <p>The project must comply with all Ministry of Health public health regulations and recommendations as related to COVID-19. This includes the use of masks and physical distancing during stakeholder engagement meetings. All tourism activities should take into account public health regulations.</p> |

| | | | | |
|--|------------------------|-----------------|--|---|
| <p>(Then) it could pose serious health risks to vulnerable stakeholder communities.</p> | | | | |
| <p>Project level Standard 4: Cultural Heritage</p> <p>Risk 6: (If) The use of cultural heritage/ traditional knowledge is not consulted with stakeholders,</p> <p>(Then) inappropriate use may cause social tension to the stakeholders.</p> <p>Category: SES Sub-cat: 1.9</p> | <p>I = 2 L = 2</p> | <p>Low</p> | <p>It is likely that cultural heritage such as local art, food, music and cultural performances will be used as part of the project's livelihood activities.</p> | <p>The cultural activities will likely be appropriate to commodify, however, it will be important to ensure stakeholder engagement and FPIC prior to implementation in order to confirm that it is appropriate to commercialize these cultural activities.</p> |
| <p>Project level Standard 6: Indigenous people</p> <p>Risk 7: (If) There is a risk that some rights-holders (including persons with disabilities and indigenous people) are unaware of the stakeholder engagement processes and the project's SES commitments, and therefore do not have the capacity or understanding regarding how to claim their rights,</p> <p>(Then) this may result in leaving some people behind the process and the project may not fully uphold human right principle.</p> | <p>I = 3 L = 2</p> | <p>Moderate</p> | <p>If issues related to social and environmental rights arise in the project areas, stakeholders may not be aware of, or have the capacity to use, the accountability mechanisms (GRM, SRM).</p> | <p>The Stakeholder Response Mechanism (and possibly a Grievance Redress Mechanism) will be established and led by UNDP. It will be communicated during the implementation of the project.</p> <p>UNDP will strive to work with legal entities which operates under the law of Government of Malaysia and State Government.</p> <p>At the project level, a Sustainable Tourism Committee will be set up and provide grievance mechanism for the local communities. The project field staff will ensure that they are available to assist with triggering a grievance or complaint.</p> |

| | | | | | | | | | | | | | | | | |
|---|-------------------------------------|---|---|--|--|-------------------------------------|--|--------------------------|-------------------------------------|---|-------------------------|--------------------------|--|------------------|--------------------------|--|
| Human Rights Principle Accountability Principle | | | | | | | | | | | | | | | | |
| Project level Standard 8: Pollution Prevention and Resource Efficiency Risk 8: (If) waste management is not considered, (Then) an increased tourism could cause an increased load of pollutants and waste and this may result in pollution of the local areas. Category: SES Subcategory: 1.13 | I = 2 L = 3 | Low | The focus of the project is to increase tourism so it is very likely that this will occur; however, the impacts are likely to be minor if the project activities are designed using eco-tourism best practices. | The nature-based experiences must be designed using best practices related to minimal pollutants and waste production. The waste management | | | | | | | | | | | | |
| QUESTION 4: What is the overall project risk categorization? | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><i>Low Risk</i></td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> </tr> <tr> <td style="text-align: center;"><i>Moderate Risk</i></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;">The project consists solely of low and moderate risks.</td> </tr> <tr> <td style="text-align: center;"><i>Substantial Risk</i></td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> </tr> <tr> <td style="text-align: center;"><i>High Risk</i></td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> </tr> </table> | | | | | <i>Low Risk</i> | <input type="checkbox"/> | | <i>Moderate Risk</i> | <input checked="" type="checkbox"/> | The project consists solely of low and moderate risks. | <i>Substantial Risk</i> | <input type="checkbox"/> | | <i>High Risk</i> | <input type="checkbox"/> | |
| <i>Low Risk</i> | <input type="checkbox"/> | | | | | | | | | | | | | | | |
| <i>Moderate Risk</i> | <input checked="" type="checkbox"/> | The project consists solely of low and moderate risks. | | | | | | | | | | | | | | |
| <i>Substantial Risk</i> | <input type="checkbox"/> | | | | | | | | | | | | | | | |
| <i>High Risk</i> | <input type="checkbox"/> | | | | | | | | | | | | | | | |
| QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply) | | | | | | | | | | | | | | | | |
| Question only required for Moderate, Substantial and High Risk projects | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><u>Is assessment required? (check if "yes")</u></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td></td> <td style="text-align: center;">Status? (complete</td> </tr> </table> | | | | | <u>Is assessment required? (check if "yes")</u> | <input checked="" type="checkbox"/> | | Status? (complete | | | | | | | | |
| <u>Is assessment required? (check if "yes")</u> | <input checked="" type="checkbox"/> | | Status? (complete | | | | | | | | | | | | | |

| | | | | |
|--|--------------------------|--------------------------|---|------------------------------------|
| | | | | d, planned) |
| <i>if yes, indicate overall type and status</i> | | | Targeted assessment(s) | |
| | | x | ESIA (Environmental and Social Impact Assessment) | To be developed |
| | | | SESA (Strategic Environmental and Social Assessment) | |
| Are management plans required? (check if “yes) | x | | | |
| <i>If yes, indicate overall type</i> | | x | Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others) | Gender Action Plan to be developed |
| | | <input type="checkbox"/> | ESMP (Environmental and Social Management Plan which may include range of targeted plans) | |
| | | x | ESMF (Environmental and Social Management Framework) | Completed |
| Based on identified <u>risks</u>, which Principles/Project-level Standards triggered? | | | Comments (not required) | |
| Overarching Principle: Leave No One Behind | | | | |
| Human Rights | x | | | |
| Gender Equality and Women’s Empowerment | <input type="checkbox"/> | | | |
| Accountability | x | | | |
| 1. Biodiversity Conservation and Sustainable Natural Resource Management | x | | | |
| 2. Climate Change and Disaster Risks | x | | | |

| | | | |
|--|--|--------------------------|--|
| | 3. Community Health, Safety and Security | x | |
| | 4. Cultural Heritage | x | |
| | 5. Displacement and Resettlement | <input type="checkbox"/> | |
| | 6. Indigenous Peoples | x | |
| | 7. Labour and Working Conditions | <input type="checkbox"/> | |
| | 8. Pollution Prevention and Resource Efficiency | x | |

Final Sign Off

Final Screening at the design-stage is not complete until the following signatures are included

| Signature | Date | Description |
|------------------|-------------|---|
| QA Assessor | | UNDP staff member responsible for the project, typically a UNDP Programme Officer. Final signature confirms they have “checked” to ensure that the SESP is adequately conducted. |
| QA Approver | | UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have “cleared” the SESP prior to submittal to the PAC. |
| PAC Chair | | UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC. |

SESP Attachment 1. Social and Environmental Risk Screening Checklist

| Checklist Potential Social and Environmental Risks | |
|--|------------------------|
| <p>INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the SES toolkit for further guidance on addressing screening questions.</p> | |
| <p>Overarching Principle: Leave No One Behind</p> <p>Human Rights</p> | <p>Answer (Yes/No)</p> |
| P.1 Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)? | No |
| P.2 Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project? | Yes |
| P.3 Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights? | No |
| <i>Would the project potentially involve or lead to:</i> | |
| P.4 adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups? | No |
| P.5 inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities? ³³ | No |
| P.6 restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities? | No |
| P.7 exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals? | No |
| Gender Equality and Women's Empowerment | |
| P.8 Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)? | No |
| <i>Would the project potentially involve or lead to:</i> | |
| P.9 adverse impacts on gender equality and/or the situation of women and girls? | No |
| P.10 reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits? | No |
| P.11 limitations on women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? | No |

³³ Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender and transsexual people.

| | |
|---|-----|
| <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i> | |
| P.12 exacerbation of risks of gender-based violence? <i>For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc.</i> | No |
| Sustainability and Resilience: Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below | |
| Accountability | |
| <i>Would the project potentially involve or lead to:</i> | |
| P.13 exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them? | Yes |
| P.14 grievances or objections from potentially affected stakeholders? | Yes |
| P.15 risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project? | No |
| Project-Level Standards | |
| Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management | |
| <i>Would the project potentially involve or lead to:</i> | |
| 1.1 adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i> | Yes |
| 1.2 activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities? | Yes |
| 1.3 changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5) | No |
| 1.4 risks to endangered species (e.g. reduction, encroachment on habitat)? | No |
| 1.5 exacerbation of illegal wildlife trade? | No |
| 1.6 introduction of invasive alien species? | No |
| 1.7 adverse impacts on soils? | No |
| 1.8 harvesting of natural forests, plantation development, or reforestation? | No |
| 1.9 significant agricultural production? | No |
| 1.10 animal husbandry or harvesting of fish populations or other aquatic species? | No |
| 1.11 significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i> | No |

| | |
|--|-----|
| 1.12 handling or utilization of genetically modified organisms/living modified organisms? ³⁴ | No |
| 1.13 utilization of genetic resources? (e.g. collection and/or harvesting, commercial development) ³⁵ | No |
| 1.14 adverse transboundary or global environmental concerns? | No |
| Standard 2: Climate Change and Disaster Risks | |
| <i>Would the project potentially involve or lead to:</i> | |
| 2.1 areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions? | Yes |
| 2.2 outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? <i>For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes</i> | Yes |
| 2.3 increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i> | No |
| 2.4 increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change? | No |
| Standard 3: Community Health, Safety and Security | |
| <i>Would the project potentially involve or lead to:</i> | |
| 3.1 construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams) | No |
| 3.2 air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation? | No |
| 3.3 harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)? | No |
| 3.4 risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health? | Yes |
| n3.5 transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)? | No |
| 3.6 adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)? | No |
| 3.7 influx of project workers to project areas? | No |
| 3.8 engagement of security personnel to protect facilities and property or to support project activities? | No |
| Standard 4: Cultural Heritage | |
| <i>Would the project potentially involve or lead to:</i> | |

³⁴ See the [Convention on Biological Diversity](#) and its [Cartagena Protocol on Biosafety](#).

³⁵ See the [Convention on Biological Diversity](#) and its [Nagoya Protocol](#) on access and benefit sharing from use of genetic resources.

| | | |
|---|---|-----|
| 4.1 | activities adjacent to or within a Cultural Heritage site? | No |
| 4.2 | significant excavations, demolitions, movement of earth, flooding or other environmental changes? | No |
| 4.3 | adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts) | No |
| 4.4 | alterations to landscapes and natural features with cultural significance? | No |
| 4.5 | utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes? | Yes |
| Standard 5: Displacement and Resettlement | | |
| <i>Would the project potentially involve or lead to:</i> | | |
| 5.1 | temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)? | No |
| 5.2 | economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)? | No |
| 5.3 | risk of forced evictions? ³⁶ | No |
| 5.4 | impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources? | No |
| Standard 6: Indigenous Peoples | | |
| <i>Would the project potentially involve or lead to:</i> | | |
| 6.1 | areas where indigenous peoples are present (including project area of influence)? | Yes |
| Note: This is only the case in Mersing. There are no Indigenous People (Orang Asli) in the project areas in Manjung and Setiu. | | |
| 6.2 | activities located on lands and territories claimed by indigenous peoples? | Yes |
| Note: This is only the case in Mersing. There are no Indigenous People (Orang Asli) in the project areas in Manjung and Setiu. | | |
| 6.3 | impacts (positive or negative) to the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? <i>If the answer to screening question 6.3 is “yes”, then the potential risk impacts are considered significant and the project would be categorized as either Substantial Risk or High Risk</i> | No |
| 6.4 | the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned? | No |

³⁶ Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.

| | | |
|--|--|-----|
| 6.5 | the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples? | No |
| 6.6 | forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? <i>Consider, and where appropriate ensure, consistency with the answers under Standard 5 above</i> | No |
| 6.7 | adverse impacts on the development priorities of indigenous peoples as defined by them? | No |
| 6.8 | risks to the physical and cultural survival of indigenous peoples? | No |
| 6.9 | impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices? <i>Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.</i> | Yes |
| Standard 7: Labour and Working Conditions | | |
| <i>Would the project potentially involve or lead to: (note: applies to project and contractor workers)</i> | | |
| 7.1 | working conditions that do not meet national labour laws and international commitments? | No |
| 7.2 | working conditions that may deny freedom of association and collective bargaining? | No |
| 7.3 | use of child labour? | No |
| 7.4 | use of forced labour? | No |
| 7.5 | discriminatory working conditions and/or lack of equal opportunity? | No |
| 7.6 | occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle? | No |
| Standard 8: Pollution Prevention and Resource Efficiency | | |
| <i>Would the project potentially involve or lead to:</i> | | |
| 8.1 | the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts? | No |
| 8.2 | the generation of waste (both hazardous and non-hazardous)? | Yes |
| 8.3 | the manufacture, trade, release, and/or use of hazardous materials and/or chemicals? | No |
| 8.4 | the use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Montreal Protocol, Minamata Convention, Basel Convention, Rotterdam Convention, Stockholm Convention</i> | No |
| 8.5 | the application of pesticides that may have a negative effect on the environment or human health? | No |
| 8.6 | significant consumption of raw materials, energy, and/or water? | No |

ANNEX 3: RISK ANALYSIS

| Project Title: | | | | Project Number: | Date: 12 July 2022 |
|----------------|---|--|---|---|--|
| No | Description | Risk Category | Impact (I) & Likelihood (L) = Risk Level | Risk Treatment / Management Measures | Risk Owner |
| 1 | If the COVID-19 cases spike or any other emerging unforeseen pandemic, the Government might enforce lockdown as a mitigation measure and this will disrupt ground project implementation and data collection in 2022/2023 and therefore delay the timely delivery of this project | Social and Environmental Financial (Delivery) Operational Organizational Political Regulatory Strategic Safety and Security | The delayed project implementation will result in the postponement of assistance to address the impact of COVID-19 pandemic of the domestic tourism sector. L = 2 I = 3 Moderate Risk | A comprehensive work plan with appropriate resources and time will be developed and closely monitor to track the progress of project implementation and data collection to minimize potential delays. Mitigation measures such as digitalisation of project activities (where possible) will be implemented to ensure project activities are implemented on-track. | <ul style="list-style-type: none"> Head of IGP Unit, UNDP |
| 2 | If there is a lack of buy-in among local authorities, it could result in low participation in the process of designing and implementing the activities, and less effective in delivering the project outputs and outcomes | Social and Environmental Financial Organizational Political (Political will) Regulatory Strategic Safety and Security | The lack of buy-in from local authorities will result in a poor continuation of assistance that has been designed to have a long impact such as Community Based Eco-Tourism Learning (CBET) Village/centre. L: 3 I: 4 Substantial risk | Early engagement starting from the design stage has been deployed. To ensure continuous partnership and support, a well-targeted engagement and communication strategy will be further developed to demonstrate the benefit of this project to the destination and nationally. Additionally, the local authorities will be engaged throughout the implementation of the projects. To ensure ownership and sustainability of the project (as part of the exit strategy), local authorities are proposed (and accepted by all destinations – to date) as co-chair at each destinations' sustainable tourism committee (STC) – a technical working group with UNDP, although this is a Direct Implemented Modality (DIM) project. | <ul style="list-style-type: none"> Head of IGP Unit, UNDP |
| 3 | If suitably qualified consultants are unable to procure, then it may cause delay to the roll-out of the project activities, affecting timely delivery of the project outputs and outcomes. | Social and Environmental Financial Operational Organizational (Procurement) Political Regulatory Strategic Safety and Security | The delay in recruitment will cause a delay in project implementation and affect timely delivery as the project needs to complete by 2023. L = 3 I = 3 | Appropriate recruitment strategies will be identified to ensure the recruitment announcement reaches a greater pool of candidates. Besides UNDP social media i.e. UNDP LinkedIn, FB and Twitter, emails announcement will be sent to universities, think tanks, and consultancy firms that are well-qualified and experienced in Tourism, UNDP will also utilise local authorities' website and media channels where relevant. | <ul style="list-style-type: none"> Head of IGP Unit, UNDP |

| | | | | | |
|---|---|--|--|--|--|
| | | | Substantial risk | Additionally, a Programme Analyst/ Project Manager will be responsible for planning, managing, and monitoring the deliverables of the project, ensuring sufficient resources available, and closely monitoring the execution of the project. | |
| 4 | If the resources allocation for this project to achieve all its objectives were underestimated or there is unexpected expansion project scope due to poor planning and budget projection, this will affect the quality and timely delivery of this project | Social and Environmental Financial (Delivery) Operational (Budget availability and cash flow) Organizational Political Regulatory Strategic Safety and Security | The project would need an extension if some components of the project cannot be implemented due to funding constraints L = 2 I = 4 Substantial risk | A multi-year work plan that identifies allocation need corresponding to the intended outputs has been developed. To ensure appropriate resources have been allocated, in-kind contributions from the destinations' local authorities have been identified to support some of the outputs, particularly coordination and monitoring activities. | <ul style="list-style-type: none"> • Head of IGP Unit, UNDP |
| 5 | The political uncertainty leads to change in government which may result in a change of priorities of the government and destination. The connection between local findings that will further inform policies at State and Federal levels may not be approved by relevant high-level authorities in a timely manner due to changes in priorities. | Social and Environmental Financial Organizational Political <ul style="list-style-type: none"> • Political will • Political instability • Change/turnover in government Regulatory Strategic Safety and Security | Priority changes in government that negatively affect the current efforts to revitalize the domestic tourism sector may cause delays in bringing about policy changes from findings at the destination level. L:2 I: 4 Substantial risk | A comprehensive communication strategy plan will be developed to communicate the project's alignment with the destinations and national priorities 12MP. The communication plan will demonstrate the benefit of this project to the government and its return on investment to the country in the long run. In addition, the project will also conduct a series of consultations for different target groups of stakeholders including policy and decision-makers. | <ul style="list-style-type: none"> • Head of IGP Unit, UNDP |
| 6 | The quantum roll-out and lack of internal capacities may slow the implementation and cause potential project extension, affecting future financial mobilization with the MOF. | Social and Environmental Financial Operational Organizational Political Regulatory Strategic Safety and Security | L= 4 I = 3 Substantial risk | Capacity building within the office will be conducted to increase familiarity with the system. | <ul style="list-style-type: none"> • Head of IGP Unit, UNDP |
| 7 | Capacity and familiarity of implementing partner with UNDP policies resulting | Social and Environmental Financial | L= 2 I = 3 | Capacity building sessions for example full proposal writing workshop will be conducted in partnership with destination's local authorities to | <ul style="list-style-type: none"> • Head of IGP Unit, UNDP |

| | | | | | |
|---|---|--|------------------------------------|---|--|
| | project not meeting quality standards and performance which compromise results on the ground. | <u>Operational</u> Organizational Political Regulatory Strategic Safety and Security | Moderate risk | ensure that all proposals are developed according to UNDP policy and standard at the starting points which include the project indicators, risk register, budget planning etc. Regular engagement and co-creating of activities with local authorities and implementing partners increase familiarity at local level with UNDP Policies. | |
| 8 | Project implementation on 3 targeted sites (Manjung, Setiu and Mersing) may be affected in the event that UNDP's inability to monitor the project closely. Hence, the project implementation may be affected at site level. | Social and Environmental Financial <u>Operational</u> Organizational Political Regulatory Strategic Safety and Security | L= 2 I = 3 Moderate risk | Close monitoring from Project Management Unit for example Project Manager conducting on-site monitoring once every two months at each destination and irregular spot check. Field coordinator appointed at each destination. Project monitoring jointly with local authorities will mitigate this risk. | <ul style="list-style-type: none"> Head of IGP Unit, UNDP |

ANNEX 4: SUMMARY OF GENDER EQUALITY ISSUES AND APPROACHES

This annex summarises gender equality issues identified during project formulation and key approaches that the project will take to address them. A more detailed gender action plan will be developed by the project gender specialist.

Gender equality issues were identified primarily through focus group discussions with women in the project sites. This was supplemented and validated through observations, desk research, and other stakeholder engagement activities during project formulation. Two major issues were identified across the sites: (1) low representation of women in decision-making bodies despite high levels of participation in these bodies; (2) women are over-represented in micro-enterprises/small businesses that are at the lower, more economically vulnerable tiers of the tourism ecosystem.

Representation in Decision Making Roles

Women reported high participation in community and business organisations in Setiu and Manjung but their representation in decision-making roles was low. In Manjung, women made up 70% of membership in a small business association but only 25% of its leadership. In Setiu, women reported being heavily involved in village community activities, but the Village Committee (JPKK) is dominated by men, who are appointed by the district office. In Mersing, few women were involved in the business cooperative.

The women in focus group discussions reported being satisfied with existing leadership arrangements and that their issues and concerns were heard by male decision-makers. Nevertheless, the low rate of women inclusion in decision-making roles means that they are consulted but not empowered. The lack of women decision-makers creates the risk that women's issues and perspectives will be de-prioritized, simply because the decision-makers have a different experience of life than they do. The low representation of women may also make it more difficult for women in leadership roles to speak out as they must operate within a male-dominated framework.

It is beyond the scope of the project to change leadership and decision-making systems across the communities. However, the project can shift norms through intentional inclusion of women in the destination steering committees. Output Indicator 2.25 will track women's representation and influence in these committees, through percentage of women representatives and mid- and end-project interviews about their experience and influence in these committees.

Women in Micro-enterprises

A high percentage of women at all three sites are involved in small-scale entrepreneurial activities (formal and informal). Generally, women at these sites are more economically exposed than men to fluctuations in the tourism industry as men are more likely to either hold non-tourism jobs (e.g., farming, fishing) or to hold more secure and stable jobs within the tourism industry.

Women's participation in these more economically vulnerable sectors of the tourism industry is in large part due to the flexibility that such work offers, enabling them to manage caregiving responsibilities. As such, while the over-representation of in tourism-related micro-enterprises creates a systematic financial risk to women, it nonetheless makes sense at the individual level. This risk can be mitigated through a combination of capacity-building and strengthening the position of micro-enterprises in the tourism ecosystem.

The project will establish local ecotourism resource centres that support marketing of products by micro, small, and medium enterprises (Output Indicator 1.3.1). The project will also ensure that women have balanced representation in various capacity-building activities and will monitor gender-disaggregated outcomes of these activities (Output Indicators 1.2.1, 1.2.2, 1.2.4)

ANNEX 5: STAKEHOLDER ENGAGEMENTS

Below is the list of stakeholders engaged during the design phase of the project. In total, over 200 individual consulted during this process.

Mersing

| March 2022 | April 2022 – Virtual | May 2022 |
|---|---|--|
| Sektor Awam <ul style="list-style-type: none"> • Majlis Daerah Mersing • Jabatan Laut • Taman Laut Sultan Iskandar • Warisan Muzium • Taman Negeri Johor • Pejabat Hutan Daerah Johor Timur • Jabatan Mineral dan Geosians Johor • Jabatan Belia dan Sukan | Sektor Awam <ul style="list-style-type: none"> • Pejabat Daerah Mersing • Majlis Daerah Mersing • ECERDC • Yayasan Warisan Johor | Sektor Awam <ul style="list-style-type: none"> • Pejabat Daerah Mersing • Majlis Daerah Mersing • JAKOA • Pejabat Belia dan Sukan Daerah Mersing |
| Komuniti <ul style="list-style-type: none"> • Kampung Tanjung Tuan • Kampung Tanah Abang • Pulau Sibul • Pulau Tinggi • Pulau Besar | Komuniti <ul style="list-style-type: none"> • Kampung Tanah Abang | Komuniti <ul style="list-style-type: none"> • Kampung Tanah Abang • Pulau Tinggi |
| NGO <ul style="list-style-type: none"> • Reef Check • TIC | NGO <ul style="list-style-type: none"> • Reef Check • TIC | NGO <ul style="list-style-type: none"> • Majlis Gabungan Belia Mersing • WCS • TIC • Reef Check |
| Sektor Swasta <ul style="list-style-type: none"> • Batu batu resort • Twin Beach Resort • Sebukang Bay Resort Pulau Aur | Sektor Swasta <ul style="list-style-type: none"> • Batu batu resort • Twin Beach Resort | Sektor Swasta <ul style="list-style-type: none"> • Persatuan bot – bot sewa pelancong • Wakil peniaga Pulau Aur • Fishing Bay Resort • Teluk Gorek Chalet & Camp Site |
| Persatuan <ul style="list-style-type: none"> • Mersing Tourism Association (MTA) • Wakil Persatuan Tamil • Wakil Persatuan Cina • Coastal Skateboard | | Persatuan <ul style="list-style-type: none"> • Mersing Tourism Association (MTA) |

Manjung

| March 2022 | April 2022 – Virtual | May 2022 |
|---|---|--|
| Public Sector / Government <ul style="list-style-type: none"> • Majlis Perbandaran Manjung • Manjung Council Member • Duty Free Island • Perak State Park Corporation • Wildlife Department | Public Sector / Government <ul style="list-style-type: none"> • Majlis Perbandaran Manjung • Duty Free Secretariat • Perak State Park Corporation • Wildlife Perak | Public Sector / Government <ul style="list-style-type: none"> • Marine Department • Majlis Daerah Manjung • Duty Free Secretariat • Manjung Council Member • Setiawan Settlement Museum • Forestry Department • Pulau Sembilan State Park • Wildlife Department Perak • Perak State Park Corporation |
| | Community <ul style="list-style-type: none"> • Seni • Pulih Art Studio | Community <ul style="list-style-type: none"> • Perikanan • Teluk Senangin • Sungai Tiram |
| NGO <ul style="list-style-type: none"> • LAKAR • KUASA • Rakan Segari • Penyu Pangkor | NGO <ul style="list-style-type: none"> • Pangkor Nature Guides • KUASA • NAGARAKOTA | NGO <ul style="list-style-type: none"> • Penyu Pangkor • Suara Anak Laut • LAKAR • NAGARAKOTA • KUASA |
| Private Sector <ul style="list-style-type: none"> • People of Remarkable Talent (PORT) | Private Sector <ul style="list-style-type: none"> • Persatuan Rekreasi Pangkor • Go Greenonline Sdb Bhd | Private Sector <ul style="list-style-type: none"> • Pak Ya Chalet • Toko Buku Hamzah • Mesra Feri Sdn Bhd |
| | Association <ul style="list-style-type: none"> • Persatuan Ibu Tunggal • Persatuan Rekreasi Pangkor • Pangkor Art • Laman Karya Lumut | Association <ul style="list-style-type: none"> • Kraftangan • Persatuan Perniaga Teluk Batik • Ibu Tunggal Lumut (women association) • Percha Artspace • Koperasi Pemandu Teksi Pangkor • Persatuan Pembangunan Hotel & Resort Pangkor • Laman Karya Lumut |

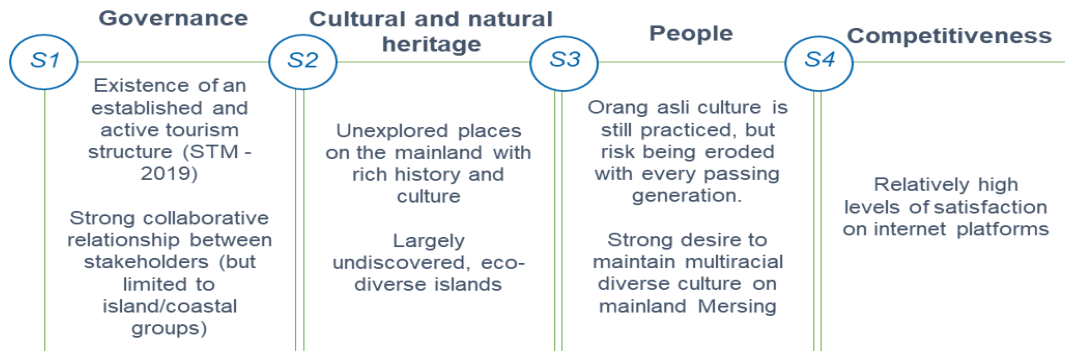
Setiu

| March 2022 | April 2022 – Virtual | May 2022 |
|---|--|--|
| Public Sector / Government <ul style="list-style-type: none"> • Pejabat Daerah Setiu • Majlis Daerah Setiu • Jabatan Pelancongan Negeri Terengganu • Taman negeri • Muzium Negeri • Penghulu Mukim • Pejabat Perikanan Daerah • Pejabat Pertanian Daerah Setiu | Public Sector / Government <ul style="list-style-type: none"> • Pejabat Daerah Setiu • Majlis Daerah Setiu • Jabatan Perhutanan Negeri Terengganu • Taman Negeri Terengganu | Public Sector / Government <ul style="list-style-type: none"> • Pejabat Daerah Setiu • Majlis Pengurusan Taman Negeri Terengganu • ECERDC |
| Community <ul style="list-style-type: none"> • Kampung Langkap • Kampung Baru Penarik dan Kampung Mangkuk | Community <ul style="list-style-type: none"> • Kampung Langkap | Community <ul style="list-style-type: none"> • Kampung Langkap • Kampung Baru Penarik dan Kampung Mangkuk |
| NGO <ul style="list-style-type: none"> • Koperasi Setiu Wetlands (KOSWEB) • Setiu Wetlands Ecotourism Discovery (ECOSWED) | NGO <ul style="list-style-type: none"> • Koperasi Pembangunan Setiu Wetlands Berhad (KOSWEB) • Setiu Wetlands Ecotourism Discovery (ECOSWED) • USAHANITA | NGO <ul style="list-style-type: none"> • Koperasi Pembangunan Setiu Wetlands Berhad (KOSWEB) • Setiu Wetlands Ecotourism Discovery (ECOSWED) • USAHANITA |
| Private Sector <ul style="list-style-type: none"> • Terrapuri Resort • Persatuan Tour operator | | |
| Association <ul style="list-style-type: none"> • Mantan Pengerusi Persatuan Pelancongan Negeri Terengganu • Terrapuri Resort • Pengerusi usahawan wanita dan • Pengerusi Dewan Perindustrian Perniagaan Melayu | | |

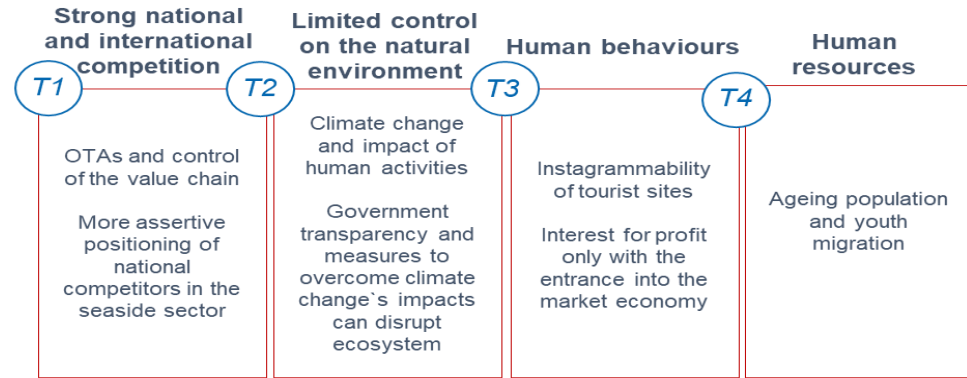
ANNEX 6: ANALYSIS OF DESTINATION'S STRENGTH, WEAKNESSES, OPPORTUNITY AND THREAT (SWOT)

Mersing

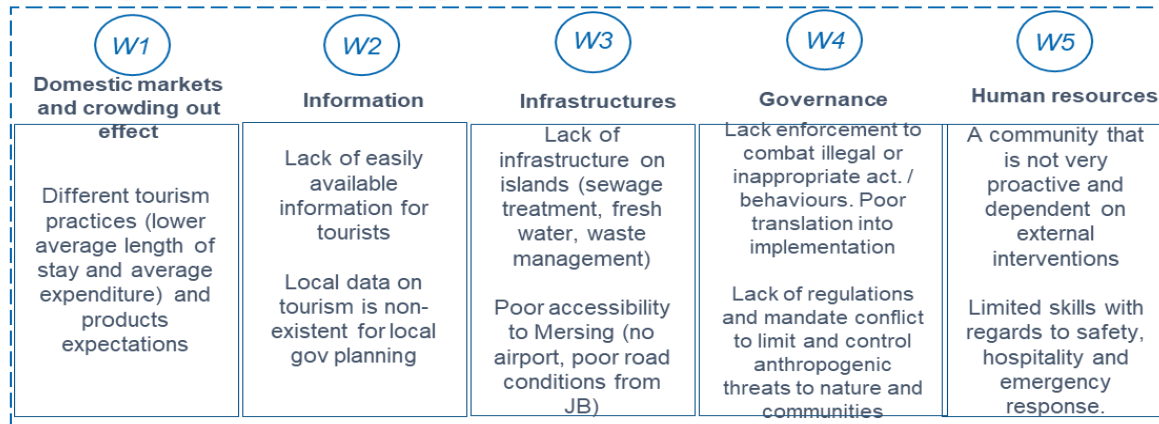
Strengths



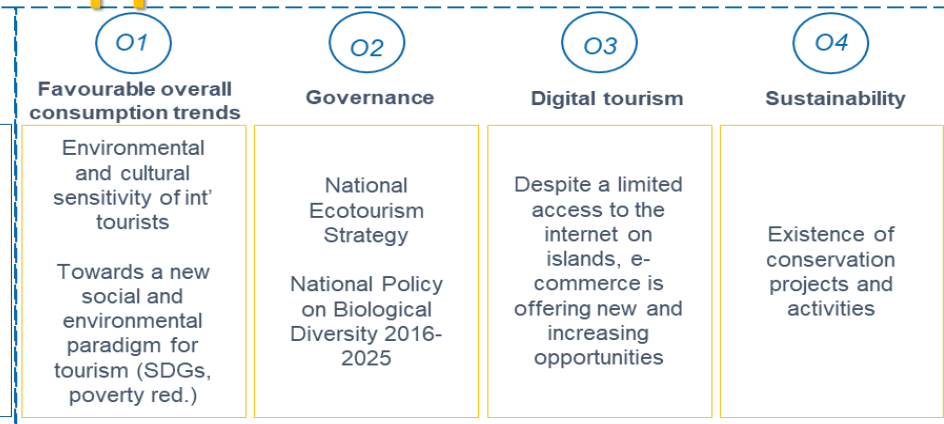
Threats



Weaknesses

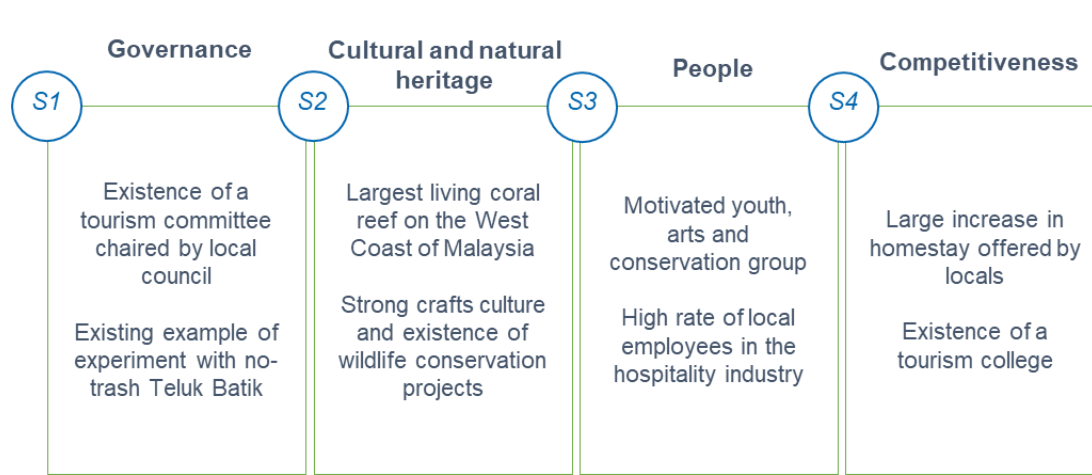


Opportunities

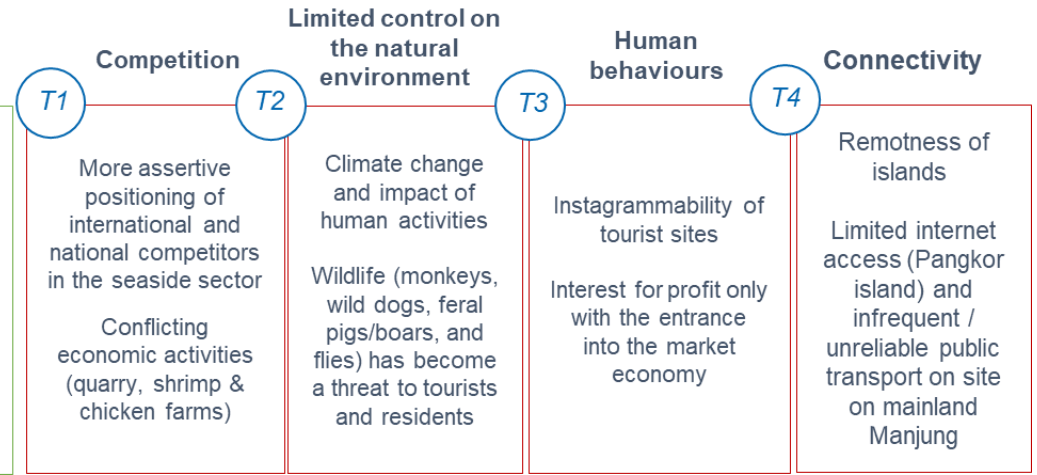


Manjung

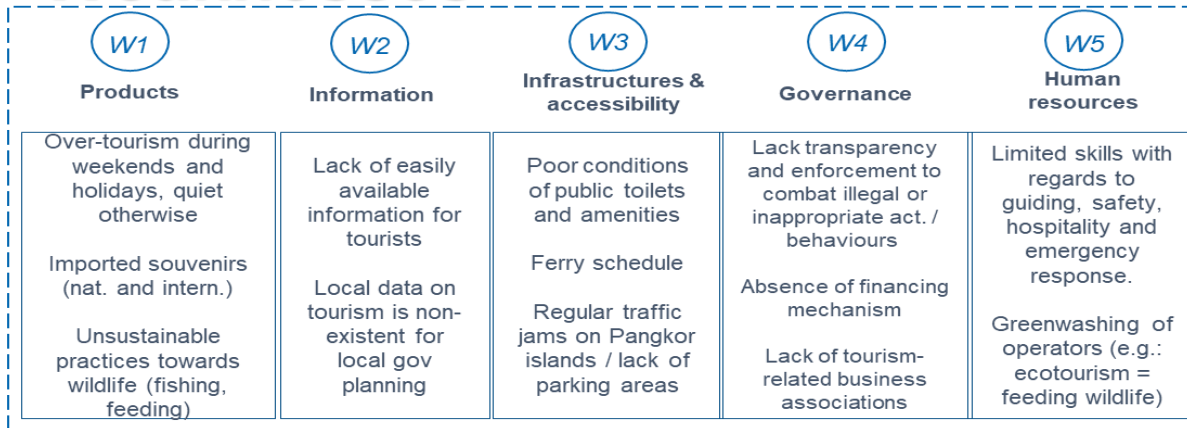
Strengths



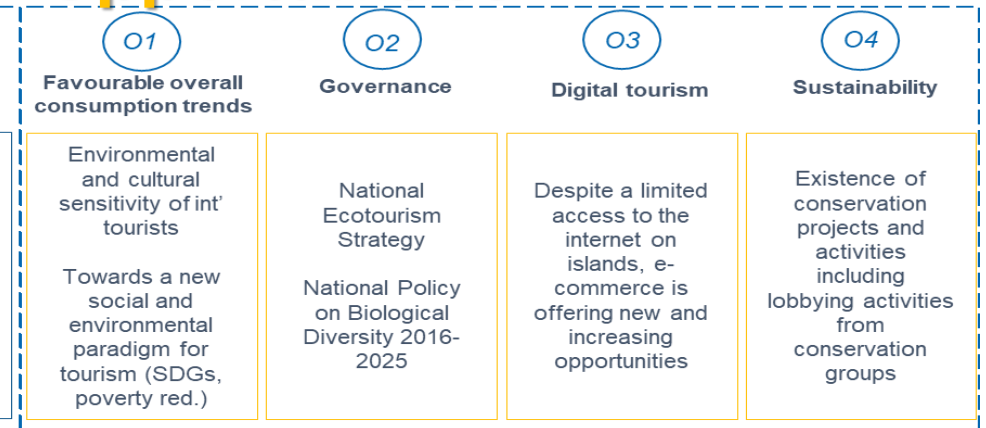
Threats



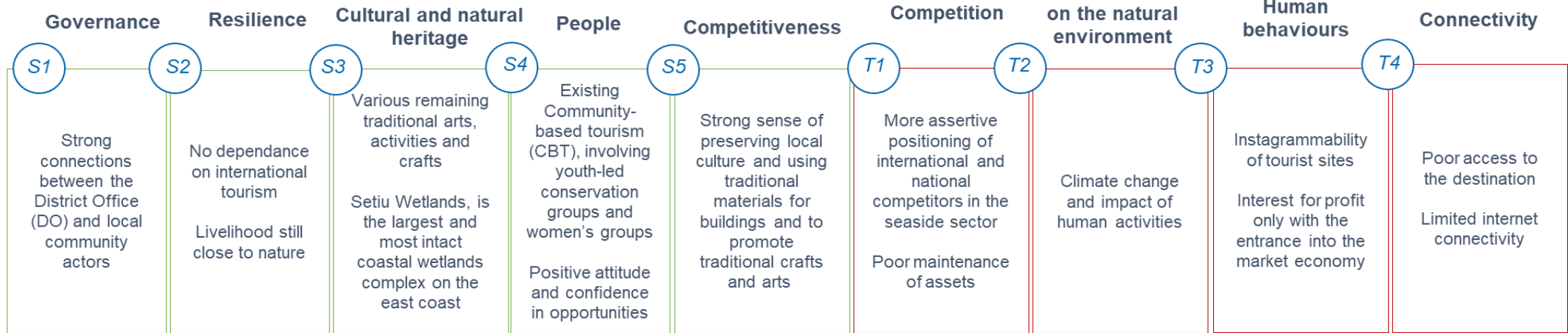
Weaknesses



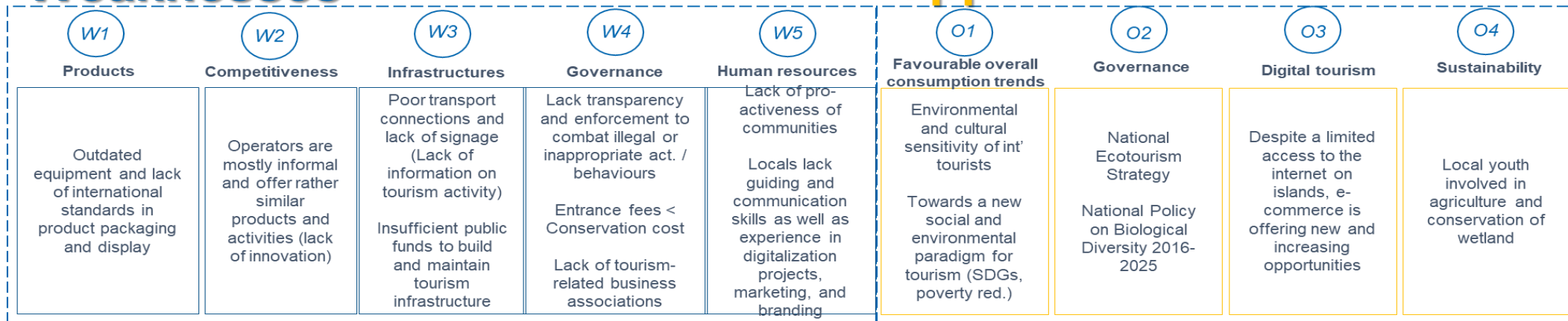
Opportunities



Strengths



Weaknesses



ANNEX 7: CAPACITY ASSESSMENT

Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)

- HACT Micro Assessment for Setiu is exempted as it was conducted at SUK Terengganu of which Setiu Local Administration subjected to; completed in November 2021.
- HACT Micro Assessment for Manjung and Mersing will conducted within the project timeframe as encouraged although it below the threshold.
- Capacity assessment for the micro-grant recipients directly disbursed by UNDP will be conducted before awarded.

ANNEX 8: PROJECT BOARD TERMS OF REFERENCE AND TORs OF KEY MANAGEMENT POSITIONS

Terms of Reference – Project Steering Committee (PSC)

The Project Steering Committee (PSC) will provide strategic guidance and direction to the Project Management Unit (PMU) on the project implementation. The PSC will be chaired by Deputy Resident Representative or delegation.

The PSC will meet after at least once a year. Meeting quorum is achieved when 50% of PSC membership is in attendance via physical presence or telephone conference. The change of chairperson or project leadership, however, will require full quorum in attendance via physical presence or telephone conference and full consensus amongst the members.

The PSC will have the following duties and responsibilities:

- Provide policy guidance on matters pertaining to the project implementation;
- Monitor and evaluate the implementation of the project towards fulfilment of the objectives and/or outcomes stated in the project document;
- Review, approve and endorse annual work plan and budget, and changes to a project budget affecting the scope (outputs) or completion date, budget re-allocation between project components/outputs, or total estimated project costs require a formal budget revision;
- Review and approve relevant changes to the project result framework;
- Coordinate the roles of the various organizations/entities involved in the project execution and ensure coherence among the relevant outputs and activities;
- Review and approve all related reports or deliverables produced by the project;
- Advice and provide direction on the long-term sustainability strategy of the project; and
- Initiate remedial actions to overcome constraints in the project implementation.

Chair: Resident Representative UNDP Malaysia, Singapore and Brunei Darussalam

Members:

1. Ministry of Finance (MOF)
2. Economic Planning Unit (EPU)
3. Ministry of Tourism, Arts and Culture (MOTAC)
4. Economic Planning Unit State (Johor, Perak, Terengganu)
5. District Officer, Mersing District Office
6. Yang dipertua, Mersing Local Council
7. District Officer, Setiu District Office
8. Yang dipertua, Manjung Local Council
9. United Nations Development Programme (UNDP)

Note: Other ministries/agencies/private sector/academicians will be members by invitation

Terms of Reference – Sustainable Tourism Committee (STC)

The Sustainable Tourism Committee (STC) at each destinations (Manjung, Setiu and Mersing) will act as the technical adviser to the PSC to provide technically sound inputs and information to the development and implementation of project activities, in order to successfully deliver the project outputs.

The STC will be specifically responsible for:

- Provide technical guidance and decisions on matters pertaining to the technical aspects of the project to ensure that they meet with the objectives set in the project document and with international best practices and standards;
- Monitor and evaluate the technical implementation of the project towards fulfilment of the objective/ outcomes stated in the project document at destination level;
- Review and comment on the proposed technical work plan and budget at destination level;
- Review and technically endorse the project deliverables at destination level; and
- Regular monitoring of the progress of the project and recommend approved technical reports at destination level to the PSC.

Chair:

- Chief Assistant of District Officers (Ketua Penolong Pegawai Daerah) - Setiu
- *Setiausaha*, MDM - Mersing
- *Setiausaha* MPM - Manjung

Co-Chair: Head of IGP Unit, UNDP

Members:

1. District Office / Local Council
2. State MOTAC
3. State Tourism
4. State Park
5. Marine Department
6. State Forestry
7. Local Fire and Rescue Department
8. United Nations Development Programme (UNDP)

Note: Other ministries/agencies/private sector/academicians will be members by invitation based on each destination

Terms of Reference – Programme Manager

The UNDP Programme Manager who is the Head of Inclusive Growth and Prosperity (IGP) Unit's main responsibility is to provide overall direction to the project management unit.

Specifically, the responsibilities include:

- Ensure that the project documents and project revision requiring approval are processed, in accordance with established procedures;
- Finalize work plans based on the inputs from the project management unit;
- Mobilize institutional mechanisms for smooth progress of project;
- Provide formal project/deliverable sign off and acceptance upon verification of the project outputs;
- Review project status reports;
- Provide direction, advice and guidance on project related issues; and to the project team; and
- Approve financial transaction and report.

The Head of IGP Unit will be supported by the Programme Analyst Prosperity (Project Manager) and Project Associate/Assistant who will primarily focused on the day-to-day matters of the project, both on the substantive and operational aspects of the project.

Terms of Reference – Programme Analyst Prosperity (Project Manager)

The Programme Analyst Prosperity (Project Manager) role is to manage and coordinate the implementation of various project activities in ensuring quality and timeliness of activities and delivery of outputs. He/she will be based at UNDP with occasional presence each destination local authorities offices.

The specific tasks of the Programme Analyst Prosperity (Project Manager) are:

- Under the advice of the Head of IGP Unit, he/she shall provide direction for the project based on the project document(s) and decisions made by the STC and PSC;
- Manage and coordinate the implementation of the project activities to ensure the maintenance of the quality, timeliness, and delivery of the outputs;
- Liaise and work closely with the project's partners and beneficiaries;
- Reports regularly to the PSC, STC and Head of IGP Unit on the project progress;
- Maintain close contact with designated focal points from stakeholders, indicating any estimated changes to the work plan, and proposing a budget revision when appropriate;
- Ensure that the requisite allocations are available in accordance with the agreed budget and established schedules of payment, if any, in consultation with the Head of IGP Unit;
- Coordinate and facilitate the work of multiple teams engaged in implementing the project activities;
- Work closely with key stakeholders in the drafting and preparation of relevant Terms of Reference for local consultants;
- Liaise with the relevant focal points in UNDP office to monitor the project funds and resources by preparing progress and financial reports of the project whenever required; and
- Prepare and establish a monitoring plan and comply with Monitoring and Evaluation guidance
- Prepare Mid-Year Progress Report (MYPR) and Annual Year Progress Report (AYPR) and other relevant documents as needed for the project document.

Terms of Reference – Project Associate

The Project Associate's role is to coordinate the stakeholder engagement in ensuring quality and timeliness of activities and delivery of outputs. He/she will be based at UNDP.

The specific tasks of the Project Associate are:

- Under the advice of UNDP Programme Analyst Prosperity (Project Manager) and/or Head of IGP to provide coordination support that have direct relevance to the project.
- Planning and organization of consultations/conference/seminar/workshop/meetings etc;
- Liaison person for logistic support;
- Prepare progress reports, meeting minutes, conference/seminar/workshop reports and maintain documentation and records;
- Support consultants in liaising with government agencies to gather data/information and inputs for relevant and timely research to guide the delivery of outputs/reports;
- Synthesize and document lessons learnt and best practices and support the development of knowledge products;
- Provide administrative and logistic support for consultants and PMU;
- Under the advice of UNDP Programme Analyst Prosperity (Project Manager), liaise with the relevant focal points in the UNDP office to support in preparing progress and financial reports of the project whenever required; and
- Any other duties assigned by UNDP Programme Analyst Prosperity (Project Manager) and/or Head of IGP that have direct relevance to the project.

ANNEX 9: TIMELINE GUIDELINES FOR ACTIVITIES IMPLEMENTATION

| OUTPUTS | ACTIVITIES | Months | | | | | | | | | | | |
|--|---|--------|---|---|---|---|---|---|---|---|----|----|----|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1.1: An enabling environment for good governance in decision-making to support ecotourism development is established | 1.1.1 Support existing data collection systems development | | | | | | | | | | | | |
| | 1.1.2 Ecotourism carrying capacity (ETCCA) for CBET village | | | | | | | | | | | | |
| | 1.1.3 Update policies based on evidence from data collection and ETCC. | | | | | | | | | | | | |
| 1.2: Increased capacity to manage risk and develop business continuity strategies | 1.2.1 Build capacities to identify, assess and monitor disaster risks | | | | | | | | | | | | |
| | 1.2.2 Training of host community and local authorities on emergency responses and recovery process | | | | | | | | | | | | |
| | 1.2.3 Training communities and MSME businesses on strategies for effective business continuity management | | | | | | | | | | | | |
| 1.3: Partnership activities conducted along local tourism value chain e.g., attractions, accommodations, products and services. | 1.3.1 Establishment of local ecotourism resources centre | | | | | | | | | | | | |
| | 1.3.2 Training for managers and employees in local ecotourism resources centres | | | | | | | | | | | | |
| | 1.3.3 Develop raising awareness materials and activities on sustainability for ecotourism resources centres | | | | | | | | | | | | |
| | 1.3.4 Training of local producers in ethical fashion and design | | | | | | | | | | | | |
| 2.1: Pilot of local sustainable tourism packages implemented. | 2.1.1 Development of CBET destinations | | | | | | | | | | | | |
| | 2.1.2 Study tour for local communities involved to discover best practices in Malaysia | | | | | | | | | | | | |
| | 2.1.3 Branding destinations through trainings in digital marketing and the establishment of forward linkages with inbound tour operators. | | | | | | | | | | | | |
| | 2.1.4 Rehabilitate natural buffers in CBET destinations | | | | | | | | | | | | |
| 2.2: Increased awareness and capacity of tourism stakeholders and community operators in the development of ecotourism | 2.2.1 Gather evidence on key issues that hamper sustainable tourism development | | | | | | | | | | | | |
| | 2.2.2 Training of operators on CSR/ ESG throughout the tourism value chain | | | | | | | | | | | | |
| | 2.2.3 Information campaign to promote and use CBET destinations as ecotourism village for other community operators | | | | | | | | | | | | |
| | 2.2.4 Three workshops for the exchange of experiences between the three zones selected in the framework of the mid-term evaluation | | | | | | | | | | | | |



MID-YEAR PROGRESS REPORT FOR THE YEAR 2022

TABLE OF CONTENTS

| | | |
|----|---|-----|
| A. | PROJECT INFORMATION | 89 |
| B. | FINANCIAL INFORMATION | 90 |
| C. | STRATEGIC ALIGNMENT..... | 91 |
| D. | PROJECT PROGRESS AND STATUS..... | 93 |
| E. | RISK MANAGEMENT | 99 |
| F. | GENDER MAINSTREAMING..... | 100 |
| G. | CHALLENGES, LESSONS LEARNED & BEST PRACTICES..... | 101 |
| H. | PROGRESS REPORT APPROVAL..... | 102 |
| | ANNEX | 104 |

A. PROJECT INFORMATION

(Fill in only once in the first progress report of the Year)

| | | | |
|---|--|--|--------------------------------------|
| Project Title | | | |
| Project (Award) ID | | Output ID | |
| Project Start and End (Date & Month) | | Project Extension Date (if any) | |
| Project Preparatory Grant (PPG)/Project Initiation Plan (PIP) Approval Date (e.g. grants obtained from GEF, if any) | | Implementing Partner (IP) Name: | |
| IP Focal Point (Name & Email & Tel No.) | | UNDP Focal Point (Name & Email & Tel No.) | |
| Project Description | Click here to enter a brief introduction to the project so that the reader, who may be external to the project, will obtain a good sense of what the project is about and what it is trying to change i.e. what results is the project trying to produce (max. 1,000 characters) | | |
| Target Beneficiaries | Click here to enter stakeholder group(s) who are beneficiaries of the project e.g. B40 households, indigenous communities, youth, women, government officers, etc. | Number of Beneficiaries | Total: XXX Male: XXX; Female: XXX |
| Gender Marker | GEN2 | Project Location (project activities) | Nationwide |

B. FINANCIAL INFORMATION

| | | | |
|--|--------|---|--|
| Total Project Budget (USD) | | Government Cost Sharing Fund (GCSF) (USD) | |
| UNDP Target Resource Assignment from the Core (TRAC) (USD) | | Others (please specify the name of donor and amount) (USD) | |
| Total Approved AWP Budget (USD) | | | |
| AWP 2022 Amendment (if any) | Yes/No | Total Amended AWP 2022 Budget (if any, need to be signed by EPU) | |
| Actual Expenditure by 30 June (as per CDR) (USD) | | | |
| Total procurement (in USD) via Government procurement completed and budget committed in Q1 & Q2 | | | |
| Total procurement (in USD) via UNDP procurement completed and budget committed in Q1 & Q2 | | | |

C. STRATEGIC ALIGNMENT

(Note: To be completed by UNDP)

| | | | |
|---------------------------------------|---|---|--|
| C.1 National Priority (12MP): | <input type="checkbox"/> Pillar 1: Resetting the Economy <input checked="" type="checkbox"/> Pillar 2: Strengthening security, wellbeing and inclusivity <input type="checkbox"/> Pillar 3: Advancing Sustainability | C.2 Policy Enabler (12MP): | <input type="checkbox"/> Policy Enabler 1: Developing Future Talent <input type="checkbox"/> Policy Enabler 2: Accelerating Technology Adoption and Innovation <input type="checkbox"/> Policy Enabler 3: Enhancing Connectivity and Transport Infrastructure <input type="checkbox"/> Policy Enabler 4: Strengthening the Public Service |
| C.3 UNDP SP 2022-2025 Outcome: | <input type="checkbox"/> Outcome 1: Structural transformation: including green, inclusive and digital transitions: working with countries to effect change in systems and structures that shape a country's sustainable development <input checked="" type="checkbox"/> Outcome 2: Leaving no-one behind: a rights-based approach centered on empowerment, inclusion, equity, human agency and human development <input checked="" type="checkbox"/> Outcome 3: Building resilience: strengthening countries and institutions to prevent, mitigate and respond to crisis, conflict, natural disasters, climate and social and economic shocks | C.4 UNDP SP Output: (Signature Solutions) | <input checked="" type="checkbox"/> Signature Solution 1: Poverty and Inequality <input type="checkbox"/> Signature Solution 2: Governance <input checked="" type="checkbox"/> Signature Solution 3: Resilience <input checked="" type="checkbox"/> Signature Solution 4: Environment <input checked="" type="checkbox"/> Signature Solution 5: Energy <input type="checkbox"/> Signature Solution 6: Gender Equality |
| C.5 UNSDCF Outcome: | <input checked="" type="checkbox"/> Outcome 1: People <input checked="" type="checkbox"/> Outcome 2: Planet <input checked="" type="checkbox"/> Outcome 3: Prosperity <input type="checkbox"/> Outcome 4: Peace | Indicators: People Indicator 1: Proportion of population covered by social protection floors/ systems, by sex, distinguishing children, unemployed persons, older persons, persons with disability, | Click here to enter a narrative to describe how your project results have contributed to the UNSDCF. (max. 500 characters) |

| | | | |
|------------------------------------|--|---|---|
| | | <p>pregnant women, work injury victims and poor and vulnerable people</p> <p>Planet Indicator 4: Renewable energy share as percent of total installed capacity (excluding large hydroelectric)</p> <p>Prosperity Indicator 2: Percentage wage gap between men and women, at strata and education attainment categories</p> | |
| <p>C.6 CPD/CPAP Output:</p> | <p>Output 1.2 Social services are strengthened to ensure universal access to high-quality, equity-focused services that promote social wellbeing for all</p> | <p>Indicators:</p> <p>1.2.1 Number of national/subnational policy frameworks to support vulnerable groups (Orang Asli, undocumented and stateless persons, B40, persons with disability, youth, elderly people and women)</p> <p>Click here to choose. Delete if additional fields not required.</p> <p>Click here to choose. Delete if additional fields not required.</p> <p>Click here to choose. Delete if additional fields not required.</p> | <p>Click here to enter a narrative to describe how your project results have contributed to the CPD Output. (max. 500 characters)</p> |

D. PROJECT PROGRESS AND STATUS

D1. OBJECTIVE, OUTCOME AND OUTPUT-LEVEL RESULTS

| | | | | |
|---------------------------------|---|---|--|---------------------------|
| Project Objective | | | | |
| Project Outcome | Outcome 1 | Describe how immediate output-level change from project activities contributes to outcome-level intermediate change, to date. Demonstrate these project-level outcome progress and explain how it contributes to government priorities in the 12MP/CPD Outputs and Outcomes Focus on the change at the outcome level. Link the change to achievement of the project outcome indicator/target (max. 250 characters) | | |
| Project Output | Output 1.1 | Describe project output-level progress and results achieved during the reporting period against what was set out in the Project Results Framework (as per Project Document) and the AWP. These project-level output progress and results should demonstrate contribution to government priorities/CPD Output(s). Report should focus on how activities completed has led to change in processes/capacity/systems/data/legal framework etc, and make connection with indicators achievement. Include key plans and expected results to be delivered by year end. (max. 300 characters) | | |
| Output Status | <input type="checkbox"/> ET - exceed target <input type="checkbox"/> OT - on target <input type="checkbox"/> BT - below target <input type="checkbox"/> N/A - not applicable | If output BT or N/A, please reflect on why and what measures have been taken to ensure delivery of output. Highlight planned activities in AWP which remains BT or N/A. | | |
| Description of Indicator | Baseline and | Milestone/Progress to Target | | Source of Evidence |

| | End of Project Target | By Q2 2022 | Total 2022 | Description of Data Collection/Others | |
|---------------------------------|---|--|------------|---------------------------------------|---------------------------|
| | Baseline: Target: | | | | |
| | Baseline: Target: | | | | |
| | Baseline: Target: | | | | |
| Project Output | Output 1.2 | Describe project output-level progress and results achieved during the reporting period against what was set out in the Project Results Framework (as per Project Document) and the AWP. These project-level output progress and results should demonstrate contribution to government priorities/ CPD Output(s). Report should focus on how activities completed has led to change in processes/capacity/systems/data/legal framework etc. To make connection with indicator achievement. Include key plans and expected results to be delivered by year end. (max. 300 characters) | | | |
| Output Status | <input type="checkbox"/> ET - exceed target <input type="checkbox"/> OT - on target <input type="checkbox"/> BT - below target <input type="checkbox"/> N/A - not applicable | If output BT or N/A, please reflect on why and what measures have been taken to ensure delivery of output. Highlight planned activities in AWP which remains BT or N/A. | | | |
| Description of Indicator | Baseline & | Milestone/Progress to Target | | | Source of Evidence |

| | End of Project Target | By Q2 2022 | Total 2022 | Description of Data Collection/Other Comments | |
|------------------------|-----------------------|------------|------------|---|--|
| | Baseline: Target: | | | | |
| | Baseline: Target: | | | | |
| | Baseline: Target: | | | | |
| Project Outcome | Outcome 2 | | | Describe how immediate output-level change from project activities contributes to outcome-level intermediate change, to date. Demonstrate these project-level outcome progress and explain how it contributes to government priorities in the 12MP/CPD Outputs and Outcomes. Focus on the change at the outcome level. Link the change to achievement of the project outcome indicator/target (max. 250 characters) | |
| Project Output | Output 2.1 | | | Describe project output-level progress and results achieved during the reporting period against what was set out in the Project Results Framework (as per Project Document) and the AWP. These project-level output progress and results should demonstrate contribution to government priorities/CPD Output(s). Report should focus on how activities completed has led to change in processes/capacity/systems/data/legal framework etc. To make connection with indicator achievement. Include key plans and expected results to be delivered by year end. (max. 300 characters) | |

| Output Status | <input type="checkbox"/> ET - exceed target <input type="checkbox"/> OT - on target <input type="checkbox"/> BT - below target <input type="checkbox"/> N/A - not applicable | If output BT or N/A, please reflect on why and what measures have been taken to ensure delivery of output. Highlight planned activities in AWP which remains BT or N/A. | | | |
|--------------------------|---|---|---|---|--------------------|
| Description of Indicator | Baseline & End of Project Target | Milestone/ Progress to Target | | Description of Data Collection/Other Comments | Source of Evidence |
| | | By Q2 | By Q4 | | |
| | Baseline: Target: | | | | |
| | Baseline: Target: | | | | |
| | Baseline: Target: | | | | |
| Project Output | Output 2.2 | | Describe project output-level progress and results achieved during the reporting period against what was set out in the Project Results Framework (as per Project Document) and the AWP. These project-level output progress and results should demonstrate contribution to CPD Output(s). Report should focus on how activities completed has led to change in processes/capacity/systems/data/legal framework etc. To make connection with indicator achievement. Include key plans and expected results to be delivered by year end. (max. 300 characters) | | |

| Output Status | <input type="checkbox"/> ET - exceed target <input type="checkbox"/> OT - on target <input type="checkbox"/> BT - below target <input type="checkbox"/> N/A - not applicable | If output BT or N/A, please reflect on why and what measures have been taken to ensure delivery of output. Highlight planned activities in AWP which remains BT or N/A. | | | |
|--------------------------|---|---|------------|---|--------------------|
| Description of Indicator | Baseline & End of Project Target | Milestone/Progress to Target | | Description of Data Collection/Other Comments | Source of Evidence |
| | | By Q2 2022 | Total 2022 | | |
| | Baseline: Target: | | | | |
| | Baseline: Target: | | | | |
| | Baseline: Target: | | | | |

D2. PROJECT MEETINGS

| Date | PMU/TWC/NSC | Key Decisions/Summary |
|-------------|--------------------|------------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

E. RISK MANAGEMENT

E.1. HARMONISED APPROACH TO CASH TRANSFER (HACT)

(Note: To be completed by UNDP)

| | | | | | | |
|---|--|-----------------------------------|--|--|--------------------------------------|----------------------|
| Total Approved AWP Budget | USD Click here to enter amount to 2 decimal places | | Total Actual AWP Expenditure (year-to-date) | USD Click here to enter amount to 2 decimal places | | |
| HACT Activity Completed in the last 12 months (Micro Assessment/Audit/Spotcheck) | Completion Date | Summary of Recommendations | | Status of Action Plan Implementation | Target/Actual Completion Date | Actions Taken |
| | | | | Choose an item | | |
| | | | | | | |
| IP Risk Rating | | | Micro Assessment Date | | | |
| Planned Spotcheck/Audit date 2022 (if applicable) | | | | | | |

E.2. RISK LOG

(Note: To be completed by UNDP)

Note: This section requires reporting on risks identified with a “Moderate” Risk Level and higher only. Retain the entry of all risks related to this project and its statuses, including those which have been resolved by Treatment Plans.

| Risk Category | Description of Risk | Impact | Likelihood | Risk Level | Treatment Plan | Has the Treatment Plan resolved the risk? | Risk Log updated? |
|----------------|---|----------------|----------------|----------------|--|---|---|
| Choose an item | Click here to enter the Risk Statement i.e. demonstrate the causal chain arising from the Cause, Event and Impact of the risk identified in a conditional format “If ... then ... and then ...” | Choose an item | Choose an item | Choose an item | Click here to enter the actions taken to manage the Risk Level | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Choose an item | Click here to enter the Risk Statement i.e. demonstrate the causal chain arising from the Cause, Event and Impact of the risk identified in a conditional format “If ... then ... and then ...” | Choose an item | Choose an item | Choose an item | Click here to enter the actions taken to manage the Risk Level | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

F. GENDER MAINSTREAMING

| | |
|---|---|
| F.1 Gender Analysis | <input type="checkbox"/> Yes Click here to enter a summary of findings from the Gender Analysis. Delete this field if not applicable. (max. 200 characters) |
| | <input type="checkbox"/> No Click here to enter a description on why a Gender Analysis was not performed. Delete this field if not applicable. (max. 200 characters) |
| F.2 Women and Girls are Project Target Beneficiaries | <input type="checkbox"/> Yes Click here to enter a description on how the project specifically targets women and girls as beneficiaries. Delete this field if not applicable. (max. 200 characters) |
| | <input type="checkbox"/> No Click here to enter a description on why the project does not specifically target women and girls as beneficiaries. Delete this field if not applicable. (max. 200 characters) |
| F.3 Achievements in Mainstreaming Gender Equality | Click here to enter a description on progress and results in advancing Gender Equality and Women's Empowerment i.e. how the project addressed different needs of men or women, changed norms, values, power structures, and/or contributed to transforming inequalities and discrimination. (max. 200 characters) |

G. CHALLENGES, LESSONS LEARNED & BEST PRACTICES

| | |
|--|--|
| G.1 Strategic Alignment | Click here to enter a narrative of Lessons Learned from your project in relation to Strategic Alignment to the National Priority, UNSDCF, UNDP SP and CPD (if any). Describe what worked well and what did not to ensure the project's contribution to strategic outcomes. (max. 500 characters) |
| G.2 Objective, Outcome and Output-Level Results | Click here to enter a narrative of Lessons Learned from your project in relation to overall Development Progress and Results (if any). Describe what worked well and what did not to ensure achievement of the project's objectives and intended results. (max. 500 characters) |
| G.3 Risk Management | Click here to enter a narrative of Lessons Learned from your project in relation to Project Risk Management (if any). Describe what worked well and what did not to ensure risks impacting the project's objectives are mitigated. (max. 500 characters) |
| G.4 Gender Mainstreaming | Click here to enter a narrative of Lessons Learned from your project in relation to Gender Mainstreaming (if any). Describe what worked well and what did not to ensure the project's contribution to gender equality. (max. 500 characters) |
| G. 5 Partnerships, Financing and Innovation | Click here to enter a narrative of Lessons Learned from your project in relation to Partnerships, Financing and Innovation. (if any). Describe what worked well and what did not. (max. 500 characters) |
| G.6 South-South Cooperation | |

H. PROGRESS REPORT APPROVAL

| | Name | Designation | Signature | Date |
|--|---------------------|---------------------|------------------|-------------|
| Prepared By (Project Manager) | Click here to enter | Click here to enter | | |
| Reviewed By (Programme Manager) | Click here to enter | Click here to enter | | |
| Approved By (National Project Director) | Click here to enter | | | |

ANNEX

| No. | Item | Attachment (click ✓ upon upload onto POCOMAS*) | Remarks (if any) |
|------------|--|--|----------------------------|
| 1 | AWP YYYY | | |
| 2 | COMBINED DELIVERY REPORT by 30 June | | |
| 3 | POLICY BRIEF/LEGISLATION/ ASSESSMENT | | |
| 4 | STORIES/COMMS PRODUCTS | | |
| 5 | PROJECT BOARD/NSC MEETING MINUTE | | |
| 6 | Click here to enter an additional item (if any). Delete this row if not required. | | |

*Upload only final (signed) version of document.



1. Project Details

| | |
|---|--|
| Project Title | |
| Project ID | |
| UNSDCF Outcome | |
| CPD Outcome | |
| CPD Outcome | |
| Executing Agency | |
| Implementing Agency | |
| Project Start Date | |
| Project End Date (based on ProDoc) | |
| No Cost Extension (if applicable, number of extensions) | |
| Project End Date (including extension date) | |
| Gender Marker | |
| ATLAS Risk Closure | |
| Total Project Resources, \$ (including in-kind) | |
| % utilization (in \$) | |
| LPAC Date | |
| Final Project Steering Committee Meeting Date | |
| Project Description | |
| | |
| Beneficiaries / target groups (include number of men and women) | |
| | |

2. Project Achievements

2.1 Summary of Key Achievements

(Please provide overall project summary towards achievements and their expected impact. There is no set format; however, you may include 1) a brief background of the issue addressed by your project; 2) major achievements during the implementation period; and 3) how results of different activities carried out under the project contribute to the larger goal of the development issues in Malaysia.)

2.2. Overall Strategy adopted for the implementation of the project

(Explain what the project modality is, the governance structure of the project i.e. who the implementing partner is, and implementation strategy to ensure national ownership and sustainability)

2.3 Achievement against project / strategic objectives

(Highlight outputs key to the achievement of overall objective)

2.4. Short / long-term impact of the project

(Describe if there is any visible short-term impact and / or any long-term expected impact envisaged by the team. Include measures taken to ensure sustainability of results.)

2.5 Measures undertaken to incorporate Gender Equality into project activities

2.6 Overall Challenges

(Describe overall difficulties that you have encountered during the implementation period and the measures taken to overcome these difficulties / challenges)

2.7 Good Practices and Lesson-Learnt from Project

(Describe your experience and lesson learnt during the implementation of the project, in term of project implementation / management, building partnerships, community mobilization, capacity building, advocacy & awareness etc.)

2.8 Communications and Visibility

3. Partnerships, South-South and Other Cooperation

(Please describe the relationship between the formal partners (i.e. UNDP, the Implementing Partners, the Project Steering Committee as well as NGOs/ civil societies and private sector involved. Please include any South-South exchanges, and new synergies with partners built from the project. Include insights from working with the partner – new interest or collaboration/how to enhance working relationships?)

4. Strategic Results Framework

| Project Output | Indicator | Baseline | Target | Actual | Source of Verification |
|----------------|-----------|----------|--------|--------|------------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

5. Annexes

(Attach additional documents to highlight project results and impact)