

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: Environment, Natural Resources and Agriculture Division, Southeast Asia Department

TA No., Country and Name:		Amount Approved: \$1,500,000	
TA 6446-REG: Strengthening Sound Environmental Management in the Brunei Darussalam, Indonesia, Malaysia, and Philippines East ASEAN Growth Area		Revised Amount: \$2,000,000	
Executing Agency: Asian Development Bank		Source of Funding: TASF: \$1,500,000 GEF: \$500,000	Amount Undisbursed: \$230,946.37 Amount Utilized: \$1,769,053.63
TA Approval Date:	TA Signing Date:	Fielding of First Consultants:	TA Completion Date Original: 30 Sep 2009 Actual: 30 Jun 2014
7 Mar 2008	7 Mar 2008	2 Jul 2008	Account Closing Date Original: 30 Sep 2009 Actual: 31 Oct 2014
<p><b>Description:</b> The Brunei Darussalam, Indonesia, Malaysia and Philippines-East Asia Growth Area (BIMP-EAGA) ranks among the most biodiverse and productive ecosystems in the world (Sulu-Sulawesi Marine Ecoregion) and includes two of the world's largest rainforests (in Borneo and Papua). The rapidly declining natural resource base is severely impacting a majority of the population, especially the poor who are entirely dependent on it for their subsistence and livelihood. Both land and water ecosystems have been overexploited: deforestation, overfishing and destructive fishing methods, together with forest fires and other natural disasters, have led to degradation of the environment to unsustainable levels that threaten productivity, growth and economic development. The BIMP-EAGA Road Map to Development (2006–2010) was formulated to coordinate natural resources management for sustainable economic development amongst member countries, to strengthen environmental protection and foster transboundary collaboration, agreements and implementation mechanisms. Through a regional technical assistance (RETA), ADB responded to a request from the BIMP-EAGA to provide support to its natural resources development cluster in the preparation of a 15-year regional environmental program (REP) to strengthen the sustainable management of natural resources.</p> <p><b>Expected Impact, Outcome and Outputs:</b> The intended impact of the RETA is strengthened sustainable management of natural resources in BIMP-EAGA and its outcome is an agreed design of a REP for BIMP-EAGA. The REP would be developed in consultation with all stakeholders and covers activities in support of current subregional initiatives, such as the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF) and Heart of Borneo (HOB). The RETA has four outputs, namely: (i) BIMP-EAGA environmental and socioeconomic profiles, (ii) policy and institutional assessment, (iii) 15-year BIMP-EAGA REP, and (iv) government support and broad partnerships for action.</p> <p><b>Delivery of Inputs and Conduct of Activities:</b> The RETA was initially designed with fewer activities as the full extent of BIMP-EAGA had not been fully crystallized but greater clarity emerged following discussions and developments to necessitate a major change in the scope. An increase in the RETA amount was approved in December 2008 to accommodate additional funding of \$500,000 from the Global Environment Facility (GEF) for project preparation of CTI and HOB TA and grant projects: (i) RETA 7813: Coastal and Marine Resources Management in the Coral Triangle–Southeast Asia,<sup>1</sup> (ii) Japan Fund for Poverty Reduction (JFPR) Grant 9160-REG: Developing Sustainable Alternative Livelihoods in Coastal Fishing Communities in the Coral Triangle,<sup>2</sup> (iii) TA 8331-INO: Sustainable Forest and Biodiversity Management in Borneo, and (iv) proposed JFPR Grant-INO: Sustainable Livelihoods Systems for Indigenous Peoples in the Indonesian Heart of Borneo. The RETA also covered the preparation of a video on CTI and high-level participation by CTI and ADB officials at the World Ocean Conference on 11–15 May 2009. To achieve the objectives of the RETA, a total of 23 consultants covering 113.49 person-months of consulting inputs were engaged comprising 15 international consultants with 56.07 person-months and 8 national consultants with 57.42 person-months. The consultants' performance is rated as partly satisfactory. The quality of the consultant advisory services was mixed and the institutional assessments needed substantial revisions. However, the quality of the final reports generated were robust following the revisions and the sound REP framework resulted in the approval of TA and grant projects on CTI and HOB under flagship initiatives developed as part of the REP. ADB's performance as the executing agency is rated as satisfactory as it provided institutional support and prepared the initial assessment reports and the REP that form the cornerstone for all future project and policy initiatives.</p> <p>Minor changes in implementation arrangements of the RETA were approved during various stages of project implementation to source consulting services to (i) design and finalize the full-sized projects (for RETA 7813), and prepare the GEF CEO endorsement request and tracking tools for the CTI and HOB TA and grant projects; (ii) support BIMP-EAGA, CTI, and HOB program coordination, funding application, implementation, and monitoring within SEER; (iii) conduct the midterm evaluation of the ADB component of the International Waters Learning Exchange and Resource Network/CTI project (RETA 7307: Regional Cooperation on Knowledge Management, Policy, and Institutional Support to the Coral Triangle Initiative); (iv) support publication of knowledge products, viz., State of the Coral Triangle Reports (SCTRs); (v) support activities of the CTI (e.g., CTI Map-Enhanced Decision Support tool, development of a business development unit [BDU] as part of efforts towards the financial sustainability of the CTI, assist in the development of a financial architecture and strategic roadmap study for the CTI) and the participation of BIMP-EAGA and CTI delegates in key events.<sup>3</sup> It also included engagement of Conservation International to assist member countries (Indonesia, Malaysia, and Philippines) in the preparation, launch, and dissemination of the Sulu-Sulawesi Marine Ecoregion (SSME) Comprehensive Action Plans; and</p>			

<sup>1</sup> Covers Indonesia, Malaysia, and the Philippines. It is one of the biggest TAs of ADB with funding of \$11.2 million from GEF and \$1.0 million from TASF-Other Sources. The TA is currently in its third year of implementation.

<sup>2</sup> Covers Indonesia and the Philippines.

<sup>3</sup> First CTI High Level Financial Resources Roundtable and GMS 2020: Balancing Economic Growth and Environmental Sustainability.

the preparation of the proceedings of 10<sup>th</sup> Conference of Parties to the Convention on Biological Diversity held in Nagoya, Japan in October 2010. It led to the delivery of tangible outputs, including developing the REP – the first of its kind for the region, and provision for the mapping decision support tool to assist government agencies and development partners to prepare collaborative plans. The performance of government counterparts (Ministries and Departments of Fisheries and Environment) is rated as satisfactory given the institutional and coordination support provided by the National Coordinating Committees.

The RETA had a cumulative extension of 4 years and 9 months from its original closing date of September 2009 to June 2014 to accommodate the expanded scope. In addition to the change in scope, the extension was also due to the delayed start, most of which is attributed to project preparation leading to concomitant delays in revising the scope, appointment and mobilization of project consultants and the quality of advisory inputs from the consultants, some of which required revision.

**Evaluation of Outputs and Achievement of Outcome:** The RETA achieved almost all of the targets of the agreed initial four outputs with the completion of the design of the BIMP-EAGA REP and its presentation at the BIMP-EAGA senior officials meeting on 6 August 2009 as part of the Natural Resources Development Cluster milestone under the 2006–2010 Roadmap. Two points are worth noting: (i) the comprehensive environmental and socioeconomic profiles that were prepared did not include Malaysia because of a decision by the Government of Malaysia not to participate in the RETA; and (ii) although the REP was endorsed by key stakeholders, its formal endorsement by the senior officials of the BIMP-EAGA has yet to be made (as it did not include Malaysia). However, TA and grant projects that were designed under the REP have all been approved and are in various stages of implementation. All activities that CTI and HOB supported under the RETA were successfully carried out (e.g., the SSME comprehensive action plan; SCTR for all six CTI countries have been published; midterm review of RETA 7307 was completed and the BDU has been established).

**Overall Assessment and Rating:** The RETA is rated as successful as it made a significant contribution to strengthening the sustainable management of natural resources in the BIMP-EAGA through: (i) the design of a REP which created a shared vision and systematic and long-term integrated framework. It revamped existing regional institutional and economic development planning arrangements and recommended a strategy for subregional cooperation; (ii) mobilization of financing and successful design of projects under flagship initiatives, such as the CTI and HOB, and (iii) support of knowledge products and activities in vital areas, such as (a) monitoring the state of the Coral Triangle and evaluating the effectiveness of the CTI as a program at the national and regional levels, (b) sustainable financing, and (c) decision support on climate change adaptation options through the CTI Map-Enhanced Decision Support tool. The RETA remains highly relevant, as regional cooperation is a key driver to addressing and promoting the sustainable management of environmental and natural resources and alleviating poverty. However, there is still a need to enhance multi-country cooperation (through HOB and CTI) to better manage transboundary resources in building resilience and adaptive capacity to climate change impacts.

In terms of effectiveness, the RETA achieved most of the targets, at times going beyond the requirements of the RETA,<sup>4</sup> but fell short in including Malaysia in its environment and socioeconomic profiles and in receiving the formal endorsement of the REP by BIMP-EAGA senior officials. The development of a framework for mobilizing funds (through the design and implementation of TA and grant projects), and the introduction of innovative financing aspects as part of the REP has been undertaken to ensure the sustainability of the program and the achievement of its objectives to conserve and preserve the environment and reduce the vulnerability of the poor through equitable natural resource management. These have received active support from all countries including Malaysia in the ongoing RETA 7813. The RETA deliverables maintained the agreed timeframes and with regard to presentations and finalization of reports.

**Major Lessons:** Foremost is the need for continued dialogue and engagement with the BIMP-EAGA countries and key groups within the BIMP-EAGA institutional structure (e.g., Environment Cluster Working Group) to rally support for endorsement by Malaysia and then by senior officials of the REP. Within ADB, this can be done in coordination with SERD's Regional Cooperation and Operations Coordination Division, which has a country specialist for Malaysia. It may be possible to get Malaysia on board because of its active engagement in the CTI and HOB programs and its support to ADB's TA projects on these initiatives. The only challenge in moving the REP forward is the sustained commitment of human and financial resources, particularly from countries. This will require the establishment of a BDU or a project facilitation unit for BIMP-EAGA. The BDU will liaise with countries, review, prepare and incubate projects, assist countries to develop project formulation and management capacity, and assist donors and countries to undertake monitoring and evaluation exercises. The BDU would need to be initially funded by ADB but would eventually be supported and based within the BIMP-EAGA secretariat or nodal agency.

**Recommendations and Follow-Up Actions:** (i) Endorsement of the REP by Malaysia and the BIMP-EAGA senior officials, and (ii) preparation of a concept note for Phase 2 of the BIMP-EAGA RETA to focus on implementation of the REP and piloting of subprojects. Since the coverage of the BIMP-EAGA is similar to that of the CTI, especially with the pending membership of Brunei Darussalam, it may be useful to look at the possibility of subsuming the REP as part of the proposed framework for the CTI BDU.

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<sup>4</sup> ADB initiated and supported the inclusion of Brunei Darussalam as a full member country of CTI. The CTI Council of Ministers has approved Brunei's request for full membership status.