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*Asia-Pacific Network for Sustainable Forest Management
and Rehabilitation*

COMPLETION REPORT

*Community Based Sustainable Forest Management of
Sungai Medihit Watershed, Sarawak, Malaysia,
(APFNet/2013/PP/05)*

1 July 2015 to 31 May 2018

Supervisory Agency:
INTERNATIONAL TROPICAL TIMBER ORGANIZATION
Executing Agency:
FOREST DEPARTMENT SARAWAK



BASIC INFORMATION

Project Title (ID)	<i>Community Based Sustainable Forest Management of Sungai Medihit Watershed, Sarawak, Malaysia, (APFNet/2013/PP/05)</i>		
Supervisory Agency	International Tropical Timber Organization		
Executing Agency	Forest Department Sarawak		
Implementing Agency	None		
Date of Project Agreement: 23/03/2015			
Duration of implementation: 1 July 2015 to 31 May 2018 (24 months plus 6 month extension)			
Total project budget(in USD)	460,000	APFNet assured Grant (in USD)	460,000
Actual project cost (in USD) Including counterpart in kind contribution	593,000	APFNet disbursed Grant (in USD) including supervisory costs of USD55,200	414,000
Disbursement Status	Date of disbursement	Amount(in USD)	
Initial disbursement	16/07/2015	130,000	
Additional disbursement	27/04/2016 & 16/05/2016(including supervisory costs USD27,600)	204,000	
Balance to be disbursed	18/12/2017 (including supervisory costs USD27,600)	80,000	
Reporting Status	Schedule implementation	Project progress status	
First reporting (period covered: 01/07/2015-30/06/2016)	Behind schedule	Moderately satisfactory	
Second reporting (period covered: 01/07/2016-30/06/2018)	On schedule (progress report)	Moderately satisfactory	
Final reporting (period covered: 01/05/2015-31/05/2018)	On schedule	Satisfactory	

The Project Steering Committee (PSC) is tasked to oversee Project implementation; approve expenditure within approved budget; review and evaluate activities that have been carried out; consider changes in budget and activities, and monitor and evaluate the Projects' overall strategic management.

Table 1: Project Steering Committee

Role	Represented by:
APFNet Project Coordinator & PSC Chairman	Haji Sapuan Ahmad
Project Technical Advisor	YBhg Datuk Dr Freezailah B CheYeom
ITTO Project Managers (in succession)	Dr Ma Hwan Ok; Dr Tetra Yanuariadi
APFNet Project Manager & PSC Secretary	Mr Morris Kapong Senap(until Dec 2016)
APFNet Project Manager& PSC Secretary	Mr Suliman Hj Jamahari (from July 2017)
APFNet Project Director	Mr Mohd Shahbudin Hj Sabki (from Nov. 2017)
Assistant APFNet Project Coordinator & Communications	Mr Mohd Shahbudin Hj Sabki
Executing Agency Counterpart	Mr Suliman Hj Jamahari
Deputy Controller, National Parks and Wildlife	Mr Azahari b. Omar
Asst. Director, State Planning Unit	Mr Tahir Mohd Sharee
Deputy Resident, Limbang	En Selamat Jati
APFNet Project Consultant	Dr Katharine G. Pearce
APFNet Project Consultant (terminated Jan 2016)	Dr Petrus Bulan
APFNet Project Consultant (terminated Jan. 2016)	Mr Philip Lepun
APFNet Project Consultant	Mr Jiram Sidu
APFNet Project Consultant & Assistant Secretary, PSC	Mr Derek Paran Morris
APFNet Project Consultant	Mr Ricky Jonathan Alek
Financial Officer, APFNet Project	Mr Sarzali b. Sahamat
Divisional Forest Officer, Miri	Mohd Taip bin Lai
Divisional Forest Officer, Limbang	Johnny Uvang
President, Limbang Kelabit Association	Mr Fabian Ritish Iboh

The Project Management Team comprised four Executing Agency officers (Table 2):

Table 2: Project Management Team

Name/role	Expertise	Responsibility	Contact
Tuan Hj Sapuan Ahmad APFNet Project Coordinator	Forester & Resource Manager by training; holding posts in FDS from Executive Forester to Director of Forests, 10 years Project coordination experience	<ul style="list-style-type: none"> • Lead the Project Team to plan and implement Project Activities and perform duties such as Project coordination, internal coordination, monitoring and evaluation • Chair Project Steering Committee meetings • Liaise with Project Manager on all matters relating to supervision and implementation of Project • Communicate with APFNet and ITTO on all Project matters of community development projects and watershed management studies 	082319190
Mr Mohd Shahbudin HjSabki Asst. APFNet Project Coordinator	MSc. In Environmental Science. Forest Ecologist and Environmental management (EIAs) by training. Sr. Assistant Director, Int. Affairs Division, FDS. 15 years project coordination experience	Assist Project Coordinator	082-319190 shahbudi@sarawak.gov.my
Mr Morris Kapong Senap Project Manager	Holds Degree in Forest Engineering. 10 years' experience in international Project management	<ul style="list-style-type: none"> • Take overall responsibility for Project implementation including its day-to-day management • Warrant holder, APFNet Project funds & accounts • Secretary, Project Steering Committee • Supervise all Project personnel, 	019 844 0306 mksenap@gmail.com

		<p>their activities and outputs and ensure outputs are achieved and Activities are implemented according to Project AWP</p> <ul style="list-style-type: none"> • Liaise with the Project Coordinator on all matters relating to Project implementation • Chair on site / Village Committee meetings 	
<p>Mr Suliman Hj Jamahari</p> <p>Executing Agency Counterpart</p>	<p>Degree in Forest Management. 10 years' experience in implementing internationally funded projects</p>	<ul style="list-style-type: none"> • Assist project consultants plan and prepare field trips • Help with logistics & transportation • Organize field assistants, camp facilities, instruments etc. • Database field data • Maintain Project images 	<p>082-319224</p> <p>suliman@sarawak.gov.my</p>

Executive Summary

The Sungai Medihit Watershed (approx. 35,400 ha) is located in Ulu Limbang in northern Sarawak, Malaysia. Two local indigenous communities, the Kelabit of Long Napir and the Penan of Kampung Bahagia, occupy the catchment. Both communities are subsistence farmers, practice shifting cultivation and depend on resources collected / hunted from the nearby forest. The two communities face many problems in that the catchment area has been logged and its resources are neither sustainably managed nor used to their best advantage. A six month ITTO Pre-Project, PPD135/07 Rev.1(F), Community-Based Forest Management of Sungai Medihit Watershed starting in December 2008, was the basis for the design and development of this two-year Project. The Project ran from 1 July 2015 to 31 May 2018, including a five month delay and a six month unfunded extension. The results were encouraging with outputs that covered the establishment of a SFM Demonstration Site for the target communities; Community Forest Resource Management Plans developed for each target community; a co-management agreement developed; suitable high value tree species that can increase the local farmers' income identified and some introduced to communities by establishing nurseries near each village and demonstrated to the target by planting the Demonstration Site at Ulu Sg. Terasak. Both target communities were exposed to four new methods of increasing household incomes through the introduction of Alternative Livelihood activities. Capacity for has been built in the communities for fish and chicken rearing, vegetable growing and homestay development. Perhaps most important of all, service infrastructure has been renewed with the access road to Long Napir gravelled, and construction of the 1.5 km village road link to replace the motorcycle track from Long Napir to Kampung Bahagia successfully completed with the help of Lee Ling Timber company under a CSR initiative. The road includes two steel bridges with a span of more than 10 m and load tolerance of more than 30 tonnes. Two Penan community members have purchased 4WD twin cab vehicles so that they can transport goods all the way to Limbang. The impact has been to stimulate their economy including further vegetable farming and a made-to-order

handicraft industry. Their handicrafts are now marketed in Brunei, Kuala Lumpur, Penang and even in USA, with the help of an NGO 'Help the Penan'. Other service infrastructure included renovation of a Guesthouse at the residential school that facilitates Penan parents settling their children in at school. The communities now have developed new attitudes. The Penan ladies have become entrepreneurial. The Kelabit community, once reluctant to show the consultants their patch of reserved forest at Long San, are now supportive of its being a SFM Demonstration Site.

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1. BACKGROUND AND INTRODUCTION

1.1. Project context

The Sungai Medihit Watershed (approx. 35,400 ha) is located in Ulu Limbang in northern Sarawak, MALAYSIA. Sungai Medihit (approx. 48 km) flows north-northwest from its source to its confluence with Sungai Limbang at Long Napir in the north as indicated in Figure 1 of the Project Site Map.

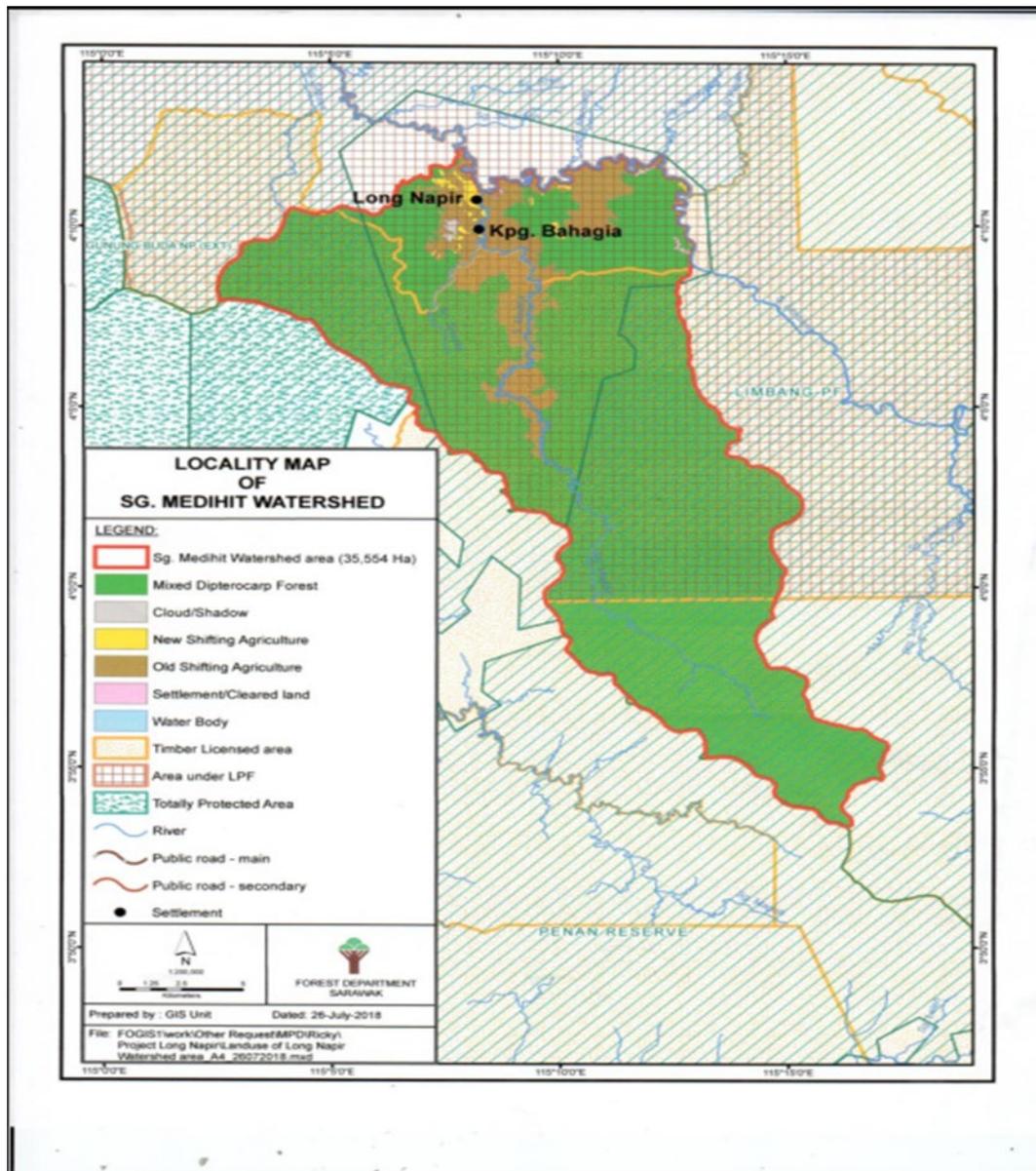


Figure 1: Project location and site map

Two local indigenous communities, the Kelabit of Long Napir and the Penan of Kampung Bahagia, occupy the catchment. The Kelabits first settled the Sungai Medihit catchment, where they practised shifting agriculture for more than 100 years, clearing

and burning forests. The two communities have lived side by side and supported one another for many years. Both communities are subsistence farmers and practice shifting cultivation as most of the area is hilly and mountainous and large scale wet paddy cultivation is not possible due to limited flatlands. In addition, they depend on resources collected / hunted from the nearby forest. This forest is continually affected by logging operations. The low paddy yields and depletion of forest resources trap both communities in relative poverty at barely subsistence level.

Nowadays these two communities face many problems. The Key Problem is that the catchment and its resources are neither sustainably managed nor used to their best advantage. Stakeholders are not equipped with information on catchment resources and how they might profit from them, or with guidelines to help them manage the catchment sustainably. They lack skills to sustain catchment resources for profit (local communities through Community Development Projects (CDPs) and license holders through resource restoration or achievement of goals towards Forest Management Certification [FMC]). Finally, stakeholders fail to share what information they have to synergize on how best to handle the catchment and its resources.

The effects of the problem are that local communities are unable to implement cash-generating projects, the catchment's timber resource base is eroded while innovative ways to restore it are not developed, tested or implemented and the catchment environment is damaged. Society is affected in that the local communities remain poor without a secure livelihood while the resource base and environment continue to be degraded. Also, the catchment's ability to provide environmental services for society at large is compromised.

The beneficiaries' needs are a direct consequence of the Key Problem: the catchment and its resources are neither sustainably managed nor used to their best advantage in that although resources are present in the catchment, stakeholders are not aware of some and not able to care for and profit from others (e.g. temuda land, plant and riverine resources) due to lack of information, guidelines and skills.

The project strategy involves addressing the key problem through the collection, dissemination and explanation of information to enable local communities to know where, and with what resources, they can operate cash-generating CDPs, obviating their need to deplete local resources through a subsistence existence; through formulation of guidelines to permit local communities and license holders alike to sustainably manage the catchment; through the development of skills in local

communities and license holders so that they can each sustain and restore catchment resources for profit and the catchment's well-being; and through development of a tradition, process and forum for stakeholders to synergize on catchment management and use.

The project design involves the direct participation of the two local communities, maximizing local participation and involvement to help the local communities achieve sustainable livelihoods and improve sustainability of forest management. This can benefit the communities financially and enhance economic returns to the village. The local people can provide manpower and skilled workers. The social fabric of both communities, based on community spirit, shouldering burdens and workload together and sharing benefits, will be further strengthened. The project design is based on the actual needs of the local communities for forest management and development.

1.2. Project goals and objectives

Project Goal: *to promote sustainable forest management (SFM) in Sungai Medihit Watershed through community capacity building, innovative operational model demonstration and establishing a new governance mechanism on community development.*

Project Specific Objectives: *to improve SFM through rational forest management plans applying innovative forest management techniques and establishing effective forest management mechanisms; to enhance the communities' capacity for SFM and livelihood development and to improve the community living conditions by renovating the service infrastructure.*

1.3. Project expected outputs and outcomes

Output 1 Community forest management improved

Outcomes are baseline surveys of community socio-economic status, forest resources, biodiversity and traditional cultures completed; two community level forest management plans developed; demonstration activities on Sustainable Forest Management carried out; and a community-based forest management platform and mechanism developed.

Output 2: Capacity of the community on development enhanced

Outcomes will be alternative livelihood projects for each community trialled and village level infrastructure constructed. The alternative livelihood projects include Fish Raising Demonstration and Poultry Raising Demonstration to address the hunting threat to wildlife; Vegetable Cropping to tackle the short supply of vegetables, and Develop Homestay for Eco-Tourism as an innovative approach to generate economic benefits for the communities.

The village level infrastructure is: Gravel 7 km of Road from Camp Kilo 0 to Long Napir, construction of 1.5 km of road to old Long Napir, build a Multi-Functional Community Meeting Hall and a school Guesthouse and Alternative Energy Facilities Demonstration

2. PROJECT IMPLEMENTATION

2.1. Project schedule and implementation arrangements

The Schedule of Project Activities (Table 4) is based chiefly on AWP1 and also AWP2. Activities for Output 1 were delayed to some degree due to various factors (Table 4). Activities 2.1 and 2.2 were implemented according to schedule.

Table 3: How well schedule was implemented

Activity	Implementation
Activity 1.1	
Socio-economic study	Completed behind schedule due to change of consultant
Forest Resource Assessment	Second field study completed behind schedule as consultant not available earlier
Activity 1.2	Completed behind schedule due to inadequate action by, and then termination of consultant
Activity 1.3	Some sub-activities completed on time, others completed behind schedule due to land issues and lack of consensus on where to locate demonstration sites
Activity 1.4	On schedule - Co-Management Agreement drafted
Activity 2.1	Implemented according to schedule
Activity 2.2	Implemented according to schedule
Additional Activity	Project video- completed Brochure - completed

No major changes to the Project occurred that involved approved project revisions that changed or impacted project scope.

However, the following changes were made:

Mr Morris Kapong Senap resigned as APFNet Project Manager in December 2016 due to poor health and Mr Derek Paran was appointed as the interim project manager. Mr Derek Paran was specifically tasked to prepare the 1st Project Progress Report and the Annual Work Plan Year 2. He resigned in June 2017. Mr Suliman Jamahari was appointed as the new Project Manager in July 2017.

Results: This caused some disruption to the Project's smooth running as three Project Managers have been appointed over the project period.

The Project Steering Committee cancelled *Activity 2.2.2 Build Multi-functional Meeting Hall for the Community* at the 2nd PSC meeting on 11 July 2017 due to community disagreements over the location of the Hall.

Results: The budget intended for this activity was partially used for Activity 2.2.1.

The Project was extended for 6 months, till 31 May 2018, as Activities still needed to be completed.

Results: All the Activities were completed within the extended Project duration, including an additional Activity: *Project dissemination. Activity 1.4.1 Sign Co-management Agreement* awaits input from Sarawak State Attorney General.

Table 4: Schedule of project activities

Planned activities	Project Year 1				Project Year 2				Project Extension	Changes	Results
	1/7/2015 - 30/6/2016	1/7/2016 - 30/6/2017	1/11/2017 - 30/5/2018								
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Activity 1.1 Baseline Survey on Resources and Socio-economic Development			*								* Mr Philip Lepun terminated Jan. 2016; replaced by Mr Jiram Sidu
Activity 1.1.1 Review Documents and Information Collected											
Activity 1.1.2 Field Investigation											
Activity 1.1.3 Report Writing							*		**		* A socio - economic study of the communities living within Sg. Medihit watershed, Limbang. Jiram Sidu. Feb. 2017 **Report on forest resource assessment at APFNet Project Area, Nanga Medihit, Limbang. Ricky Jonathan Alek, May 2018
Activity 1.2 Community Forest Management Planning			*						**		* Dr Petrus Bulan terminated Jan 2016; replaced by Mr Suliman Hj Jamahari, EA Counterpart ** Most of Activity 1.2 only done in 2018

Planned activities	Project Year 1				Project Year 2				Project Extension	Changes	Results
	1/7/2015 - 30/6/2016	1/7/2016 - 30/6/2017	1/11/2017 - 30/5/2018		Q 1	Q 2	Q 3	Q 4			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Activity 1.2.1 Convene Village Meetings											
Activity 1.2.2 Conduct Participatory Natural Resource Mapping											
Activity 1.2.3 Identify Priorities and Strategies for Development of Forest Resource										Dr Katharine Pearce assisted to complete these Activities in 2018	
Activity 1.2.4 Develop Community Forest Resource Management Plans									*		* Community Forest Management Plans completed June 2018
Activity 1.3 Demonstrate Sustainable Community Forest Management Practices									*		* Final Report Activity 1.3 Demonstrate sustainable community forest management practices, Dr Katharine Pearce, June 2018
Activity 1.3.1 Summarize Traditional Models for Protection and Sustainable Use of Forest Resources Within Communities through Interviews and Field Survey											Completed on schedule

Planned activities	Project Year 1				Project Year 2				Project Extension	Changes	Results
	1/7/2015 - 30/6/2016	1/7/2016 - 30/6/2017	1/11/2017 - 30/5/2018		Q 1	Q 2	Q 3	Q 4			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Activity 1.3.2 Establish Sustainable Forest Management Demonstration Sites											Completed 2018
Activity 1.3.3 Identify and Protect High Conservation Value Forest with the Guidance and Support of Experts											Completed 2018
Activity 1.3.4 Introduce and Demonstrate Suitable High Value Tree Species to increase the local Farmers' income from Forest Plantations											Completed 2018
Activity 1.3.5 Demonstrate the Sustainable Harvesting and mode of Processing NTFP's											Completed 2018
Activity 1.3.6 Report writing											Completed 2018
Activity 1.4 Establish the Participatory Community Forest Management Mechanism											

Planned activities	Project Year 1				Project Year 2				Project Extension	Changes	Results
	1/7/2015 - 30/6/2016	1/7/2016 - 30/6/2017	1/11/2017 - 30/5/2018								
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Activity 1.4.1 Sign Co - management Agreement and hold Co-management Meetings										Co-management Agreement was drafted but was not yet signed as this required legal scrutiny by the State Attorney Chambers	
Activity 1.4.2 Conduct Co-management Activities											
Activity 1.4.3 Report Writing									*		*Project Completion Report, Activity 1.4 Establish participatory community forest management mechanism. Mr Morris Kapong Senap, March 2018

Planned activities	Project Year 1				Project Year 2				Project Extension	Changes	Results
	1/7/2015 - 30/6/2016	1/7/2016 - 30/6/2017	1/11/2017 - 30/5/2018		1/7/2016 - 30/6/2017	1/7/2016 - 30/6/2017	1/11/2017 - 30/5/2018				
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Activity 2.1 Alternative Livelihood Activities											Completed on schedule Project Completion Report, Activities 2.1 & 2.2 Alternative Livelihood Activities & Infrastructure and Facilities Development, Derek Paran, 15/8/2017
Activity 2.1.1 Fish Raising Demonstration											
Activity 2.1.2 Livestock or Poultry Raising Demonstration											
Activity 2.1.3 Vegetable Cropping											
Activity 2.1.4 Develop Home-stay for Eco-tourism											

Planned activities	Project Year 1				Project Year 2				Project Extension	Changes	Results
	1/7/2015 - 30/6/2016	1/7/2016 - 30/6/2017	1/11/2017 - 30/5/2018								
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Activity 2.2 Infrastructure Improvement Contributing to SFM											Completed on schedule Project Completion Report, Activities 2.1 & 2.2 Alternative Livelihood Activities & Infrastructure and Facilities Development Derek Paran, 15/8/2017
Activity 2.2.1 Gravel 7km of Road from Camp Kilo 0 to LN including construction of more than 1KM of Road to old LN											
Activity 2.2.2 Build Multi-functional Meeting Hall for the Community									*	Activity cancelled by decision of 2 nd PSC on 11/7/2017	
Activity 2.2.3 Build Guesthouse for the Community School											
Activity 2.2.4 Alternative Energy Facilities Demonstration											
Additional Activity Project Dissemination										New activity	

Potential risks that were identified in the Project Document, and counter-measures identified, are shown in Table 6.

Table 5: Potential risks and counter-measures identified in Project Document

Assumptions / Risks	Outcome/ Response
Policy conflict with the relevant development and resource conservation policy at country, state or local levels.	None
Significant culture conflict risk	No culture conflict as new technique input and mechanism input respects the local peoples' traditional and culture through bottom up or community-based work mechanism
No significant project cost change	No significant project cost change and a cost control mechanism was established.
The risk of Project staff inconsistency	Project staff inconsistency became a reality during the project when two consultants were terminated and the Project Manager resigned. The smooth procedure of communications and work was impacted resulting in delays.
No significant risk of unequal benefit distribution occurred.	The project benefit was shared by the whole of both communities. Disadvantage groups had an opportunity to take part in, and benefit from the project.
Other projects implemented during the Project period.	None
Significant risk or negative impacts occurred due to the introduction of new techniques.	None
Exchange rate and budget-shortage risks in project implementation and budget management	Risk avoided through development of a budget monitoring and project running cost mechanism. Budget overrun for <i>Activity 2.2.1 Gravel 7 km of road from Camp Kilo 0 to Long Napir (LN) including construction of 1.5 km of road to old LN</i> . The EA managed to complete this activity despite the new road construction costing more than USD 500,000.

Unanticipated risks that impacted the smooth running of the Project included:

- Lack of a united front in the Kelabit community
- Community disagreements over land resulting in cancellation of Multi-Functional Community Meeting Hall and delay in deciding Demonstration Sites location.
- Objection from school management on renovation of Penan Guest House.

2.2. Project resources and costs

The Executing Agency put into operation all activities in accordance with the Project Agreement. The financial contribution from APFNet and the in-kind resources from the Executing Agency complemented each other.

The APFNet contribution is used for costs such as for project staff, consultant fees, travel and related costs, meeting and training, field activities cost, publication and dissemination, office and operation cost, procurement and supervisory monitoring and evaluation costs.

The in kind resources from the Executing Agency include project counterparts salaries, field staff travelling and lodging claims and other in kind contribution to the project.

The Project Manager responsibility include to ensure that all kinds of expenses including payment of all administrative and supporting staff be made in accordance with the Project Agreement and locally established procedures. The locally established procedures include the Treasury Instruction, Financial Circulars and Government Orders.

For the purpose of employment, a contract of engagement legally binding and the Terms of Reference for each consultant were duly agreed on and signed by both parties.

The Projects' financial and cash flow statements was prepared monthly for internal monitoring and control by the Project Manager. This is to ensure that he project has been financially and efficiently managed.

The financial statements of the project are prepared under the historical costs convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Private Entity Reporting Standards in Malaysia.

Audited financial report was done in June 2016 by an independent external auditor, Idris Ibrahim Group., a chartered accountant. The external auditor audited all completed work and its expenses. The audit report was forwarded with auditor's comments, general information and financial statements to the supervisory agency which further forward to APFNet. In this way, there is a strong internal control of funds and irregular transactions and activities will not occur,

The Audit Financial Report based on its budget analysis till June 2016 noted that there is amount overspent on category personnel –local. The report clarified that the amount overspent was due to omission of budget for the Employee Provident Fund contribution. The fund is a statutory contribution imposed on any emolument paid to persons engaged in employment in Malaysia.

A cost variance analysis was also done and 10% or more by components against approved project budgets indicated that out of 9 components, only 1 component recorded a cost variance of 25%. The rest of the components recorded a very low costs variance such as office operation costs of 3% and field activities costs of 2%.

Activity 2.2.1 was partly funded by part of the budget intended for Activity 2.2.2

2.3. Procurement and consultant recruitment

Table 7: Goods purchased under approved work plans

No.	Items	Quantity	Date purchase	Cost (RM)	Issued to
01.	Vehicle	1 unit	19/08/2015	116,890.00	Morris Kapong
02.	Camera	1 unit	01/09/2015	1,699.00	Morris Kapong
03.	Ext. Hard disc	1 unit	01/09/2015	275.00	APFNet Unit (FDS)
04	Printer	1 unit	01/09/2015	485.00	APFNet Unit (FDS)
05.	Laptop Asus	1 unit	02/10/2015	2,449.00	Derek Paran
06.	Camera ILCE	1 unit	05/11/2015	2,606.00	APFNet Unit
07	Note Book	1 unit	20/07/2016	3,989.00	APFNet Unit (FDS)
08	Note Book	1 unit	20/07/2016	3,989.00	Morris Kapong
09	Projector	1 unit	11/08/2017	3,125.95	APFNet Unit (FDS)

Project Consultants and their tasks and functions are tabulated (Table 8):

Table 8: Consultants and bodies hired to fulfil specific Project tasks and functions

Responsibilities	Consultant	Remarks
Implement Activity 1.1 <i>Baseline survey on resources and socio-economic development</i>		
a) Forest resource assessment	Mr Ricky Jonathan Alek	
b) Socio-economic development	Mr Philip Lepun	Terminated Jan 2016
	Mr Jiram Sidu	Replaced Mr Philip Lepun
Implement Activity 1.2 <i>Community Forest Management Planning</i>	Dr Petrus Bulan	Terminated Jan 2016. Replaced by EA Counterpart, Mr Suliman Hj Jamahari; in 2018 Dr Katharine Pearce helped develop Community Forest Management Plan etc.

Implement Activity 1.3 <i>Demonstrate sustainable community forest management practices, and edit other consultants' reports prior to publication & printing</i>	Dr Katharine G. Pearce	
Implement Activity 1.4 <i>Establish the participatory community forest management mechanism</i>	Mr Ricky Jonathan Alek	Mr Morris Kapong Senap wrote the Final Report
Implement Activities 2.1 & 2.2 <i>Alternative livelihood activities & Infrastructure improvement contributing to SFM</i>	Mr Derek Paran Morris	
Project monitoring and evaluation	PSC, ITTO & APFNet	
Legal aspects of <i>Co-Management Agreement</i>	Sarawak State Attorney General	
Financial auditing	Idris Ibrahim & Co.	

2.4. Monitoring & evaluation and reporting

Table 9: Monitoring and evaluation

Monitor/evaluator	Findings	Recommendations and suggestions	How actions were taken in response
EA (to arrange regular internal M&E)	Monitoring limited; evaluation lacking. The responsibility for internal M&E was not spelled out and scheduled. M&E listed under both Project Coordinator and Project Manager's responsibilities	Make monitoring schedule part of Annual Work Plan	New Project Director was active in monitoring progress and quality of Project outputs
APFNet (to conduct external Monitoring during or after project completion)	Led external M&E to ensure project implementation was on track in the direction of achieving Project objectives, especially at the Project's later stages		
ITTO (to guide and support project)	Spearheaded M&E during last stage the		

planning & implementation and monitor according to APFNet PIIM, 2013)	Project (ITTO Project Evaluation Meeting, 27 March 2018, Kuching).		
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Project progress updates and sharing of issues among project team and stakeholders, including APFNet, were formally conducted during the two PSC meetings.

2.5. Dissemination and knowledge sharing

Table 10 lists materials, activities and events organized on local and international occasions to share the project deliverables (all with a positive outcome).

Table 10: Dissemination materials and events where information was disseminated

<i>Community-based sustainable forest management and rehabilitation of Sg Medihit watershed</i>	An account of the Project: for Tropical Forest Updates was prepared.
A briefing on the Project to Sarawak State Secretary	Kuching, 28 April 2016
<i>Community-based sustainable forest management of Sungai Medihit watershed, Sarawak, Malaysia</i>	A paper delivered by the APFNet Project Manager at the Heart of Borneo (HoB) Seminar themed <i>Conserving Biodiversity through Sustaining Communities' Livelihood</i> , held in Kuching, Sarawak, 7-8 Dec. 2016. About 250 participants from various stakeholder groups, both government agencies and NGOs, were invited.
An introduction to the Project (power point presentation)	shared at the Asia-Pacific Forestry Planning Workshop <i>Moving Forward with Purpose: Realizing Strategic Forest Planning</i> held on 28 March, 2018 in Beijing, China
<i>Project changes lives of Long Napir residents</i>	Project information disseminated in Borneo Talk, Vol. 48 Apr-Jun 2018 pages 20-21.
A video and brochure of key on-the-ground Project activities	Produced after Project successes became apparent.
A poster presentation	Displayed at the Poster Session of the Malaysian Forestry Conference held on 31 st July - 2 nd Aug 2018 in Kuching, Sarawak.

3. PROJECT PARTNERS' PERFORMANCE

3.1. Performance of Supervisory Agency (ITTO)

The Supervisory Agency (SA) was the International Tropical Timber Organisation (ITTO). Emmanuel Ze Meka, ITTO Executive Director, and Takeshi Goto, ITTO Assistant Director, Division of Forest Management, were signatories to the tripartite Project Agreement. Two different ITTO Project Managers headed the Project in succession; first Dr Ma Hwan Ok, followed by Dr Tetra Yanuariadi.

The Supervisory Agency, ITTO, expended its own funds amounting to USD73, 710 to implement Pre-Project PPD135/07 Rev.1(F): Community-Based Forest Management of Sungai Medihit Watershed over a period of six months, starting in December 2008. The Pre-Project was the basis for the design and development of APFNet Project [Serial No: APFNet/2013/PP/05]. The project expended USD 55, 200 to ITTO as supervisory cost in supervising the implementation of the project.

The SA's responsibilities were to liaise with the EA and APFNet and to guide and support Project planning and implementation in conformity with sound administrative and financial rules.

The SA took all necessary actions to:

- monitor Project implementation according to *APFNet PI/M (2013)* and *PPCSR2013* referring to ITTO project management rules and procedures,
- technically support the development and review of Project-related documents required by APFNet in a timely manner and in APFNet required formats,
- review Project-related documents and give feedback on their format and content to ensure submission of a complete set of documents in good order.

There were some Project Design issues that the SA maybe could have caught in the early stages of the Project.

3.2. Performance of Executing Agency

The Executing Agency (EA) is Forest Department Sarawak (FDS). The EA's main responsibilities and tasks, according to the Project Document, were to implement, manage and disseminate the project. In carrying out these tasks, the EA nominated the Project Coordinator and other Management Team members, provided office facilities for the Project Management Team, established a Project Steering Committee and appointed the PSC chairperson. The EA submitted this Project Completion Report, financial statement and the list of the assets to APFNet and ITTO.

Adequate Project records and documentation were maintained, enabling information (documents, photos, video clips, and publications etc.) to be available to APFNet. The EA submitted the following documents to the SA for primary review:

- a) 1st & 2nd Annual Work Plan (AWP1 & AWP2)
- b) 1st Project Progress Report (PPR1) and Audit Report for Project Year I
- c) Project Completion Report (PCR), Final Audit Report (July 2015 - May 2018) and other supporting documents

Table 11: How and to what degree the EA fulfilled its responsibilities and tasks

Task	How and to what degree fulfilled
Responsible for Project implementation and do its utmost to ensure that the Project be implemented as planned, within the agreed budget and APFNet grant in a manner consistent with <i>APFNet PIIM, 2013</i> and <i>APFNet Procedures for Project Consultant Selection and Recruitment (PPCSR 2013)</i> , and in such a way as to achieve the goals and objectives set out in the Project Document	<ul style="list-style-type: none"> • The EA took action to keep the Project going when APFNet Project Manager Mr Morris Kapong Senap resigned by designating Mr Suliman Hj Jamahari as Acting Project Manager at the 2nd PSC Meeting in July 2017 and appointing Mr Mohd Shahbudin Hj Sabki as Project Director in November 2017. • The EA took action to use unspent funds from a cancelled Activity(2.2.2) to pay for part of road construction costs (Long Napir to Kpg Bahagia link)
In consultation with APFNet, appoint a full time Project Coordinator (PC) to lead a Project Team to plan and implement the Project Activities and perform duties such as Project coordination, internal coordination, monitoring and evaluation.	The State Government of Sarawak appointed Tuan Hj Sapuan Ahmad, Director, FDS, Project Coordinator & Mr Mohd Shahbudin Hj Sabki, Assistant Director, FDS, as Assistant Project Coordinator at the start of the Project.

Task	How and to what degree fulfilled
Establish a Project Steering Committee (PSC) composed of representatives from the Supervisory Agency, Executing Agency and other key Project stakeholders, to serve as a decision-making body, supervise Project Implementation and make decisions on crucial issues; and convene Committee meetings	The EA established the PSC and convened the 1 st APFNet PSC Meeting on 16 May 2016 in Kuching and the 2 nd APFNet PSC Meeting on 11 July 2017 in Miri.

3.3. Performance of consultants (technical assistants), contractors and suppliers

There was no Implementing Agency. Project partners included consultants, technical assistants, the timber license holder operating in the area and the Jukut Quarry which supplied gravel to lay on the muddy areas of the access road to Long Napir.

Consultants took responsibility for the various Project Activities (Table 7). Two consultants, Petrus Bulan and Philip Lepun, were terminated early in the project. Four other consultants fulfilled their responsibilities and tasks. Mr Ricky Jonathan took on the additional responsibility for part of Activity 1.1, as did Dr Katharine Pierce, helping to develop the Community Forest Management Plan and write the Completion Report towards the Project's end.

3.4. Performance of APFNet

Professor Qu Guilin, Executive Director, Secretariat, Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet) initially visited the Project site in March 2015 and he and Ms Sun Weina, Program Officer, Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet) signed the Project Agreement.

APFNet's responsibilities were to ensure the timely provision of necessary feedback on deliverables and assist with validation and approval of Project-related documents.

APFNet provided:

- timely support and clear guidance for project planning, implementation and management
- effective communication with project EA and partners and proper facilitation in undertaking project activities and project dissemination
- external M&E during the project implementation and shared swift feedback
- timely disbursement of the 2nd project grant - did not happen - because ITTO did not ratify reports as in proper format

The APFNet Project officer originally assigned to the Project, Ms Sun Weina, was replaced in 2016 by Zhangyang and then by Mr Li Zhaochen. Mr Li acknowledged during the 2nd PSC Meeting that whenever a change in Project officer happens, it takes time for the new Project officer to get familiar with the Project and its activities. This may be one reason for delays to this Project.

APFNet encouraged production of a brochure and audio-video materials highlighting the Project impacts that became apparent as the Project drew to a close.

The APFNet Project Manager, Mr Morris Kapong Senap, resigned due to health reasons partway through the Project. A hiatus in Project implementation ensued until the 2nd PSC Meeting (Table 3). When the new Project Director took over a six-month Project Extension was granted so that the Project could be completed.

There were some issues with Project Design that maybe APFNet could have caught in the early stages of the Project.

Issues with Project Management

- Choice of two consultants was poor as their expertise did not match the tasks asked of them. This led to their being terminated.
- Some consultants' fees were calculated not at a monthly rate but on field days completed. This did not take account of the many hours of follow-up work that had to be done and greatly reduced incentive. Fees paid out to consultants for some Activities in no way reflected the amounts budgeted.

- Lack of Monitoring. *APFNet PIIM Manual* requirements for formulation of a plan for internal M&E for each Project year & M&E undertaken by the Project Team were not met. When consultants were terminated, Activity 1/1/2 was only completed 20 months into Project while no-one was given responsibility for Activity 1.2, most of which was only completed in 2018,
- Apparent lack of critical evaluation of consultants' work.

Project design issues

Project design can be further improved with some sound administrative and financial rules.

- The Project organizational structure within the EA:
 - Appointment of Project Leader- The project lacked a Project Leader as the *APFNet PIIM Manual* specified only a Project Manager (PM) (or Director). The role of the Project Leader will provide critical leadership to the daily operation of the project. This lack of leadership significantly affected the Project Team's motivation and Project performance. There was an almost complete lack of scheduled meetings of the Project Team and consultants, and a delay in appointing a new Project Director when the Project Manager resigned.
 - Appointment of Director of Forest as the Project Coordinator (PC)- The project has appointed the Director of Forest as the Project Coordinator (PC). Traditionally DF's role in projects is titular rather than executive but the Project Agreement assigned the PC responsibilities (to conduct Internal monitoring and evaluation, to check Project Activity implementation and management by Project personnel and measure the progress, performance, achievements and issues). Furthermore, the PC's responsibilities overlapped with those of the Project Manager.

- Appointment of Technical Advisor- The project did appointed a Technical Advisor and appeared not to have been budgeted for and thus mid-term review assigned to him during the 1st PSC did not proceed.
- Activities design
 - The Pre-Project had already largely already covered the *socio-economic survey* under Activity 1.1 as well as *Natural Resource Mapping* (Activity 1.2.2)
 - Report writing should be an integral part of each consultant's duties in carrying out his/her TOR and not scheduled as a separate sub-activity requiring separate editing.
 - The term Sustainable Forest Management (SFM) (Activity 1.3) was difficult to conceptualise in the context of community forest management as SFM is normally used for commercial logging activities.
- Risk analysis

The very real risk that the community would not accept the project was not foreseen but did in fact cause major problems. Delay at the start of the Project and also later in the Project, was due to certain individuals being against the project, which they assumed was trying to take the land, or disagreements on land ownership. Activities 1.3.2 *Establish Sustainable Forest Management Demonstration Sites* and 1.3.3 *Identify and Protect High Conservation Value Forest*, and parts of Activity 1.4 *Establish the Participatory Community Forest Management Mechanism* were particularly affected.
- Contingency funds were inadequate

4. PROJECT PERFORMANCE

4.1. Project Achievements

Output 1: Improvement in community forest management

Activity 1.1 *Baseline Survey on Resources and Socio-economic Development*

A forest resource survey of 11 strips was successfully carried out in the catchment by EA forestry officers and staff, and gave an indication of the poor timber stocks in the area. The data led to a better basis for the choice of High Value timber species to be introduced and demonstrated to increase the local farmers' income from Forest Plantations (Activity 1.3.4).

The results of the socio-economic survey provided a baseline against which Project achievements (e.g. target communities' increased income) could be measured.

Activity 1.2 *Community Forest Management Planning*

A combined Village Meeting, with 70% attendance, was successfully conducted, leading to increased awareness of the importance of Sustainable Forest Management (SFM) among the target communities. Efforts were made to conduct a timber resource survey with the help of the local community. Participatory natural resources mapping conducted during the ITTO Pre-project was continued. Priorities and strategies for the development of forest resources (Activity 1.2.3) were identified and are included in the two Community Forest Resource Management Plans (Activity 1.2.4) that were developed, one for each target community.

Activity 1.3 *Demonstrate Sustainable Community Forest Management Practices*

Traditional models for the protection and sustainable use of forest resources were recorded through interviews and field visits with members of both target communities (Activity 1.3.1).

Establishment of SFM Demonstration Sites (Activity 1.3.2) for each target community began towards the end of the Project after site visits to the proposed locations to evaluate their features and condition. The Demonstration Site for the Kelabit community, to be located at the High Conservation Value Forest identified for Activity

1.3.3 at Long San, lies partly outside the Sg Medihit catchment in an area License for Planted Forest. Further consultation is thus needed between Director of Forests, Forest Department Sarawak, and the license holder in order to protect the area. The Demonstration Site for both communities is currently located at ulu Sg Terasak and the Director of Forests has directed the timber companies not to do logging operation at the sites. Steps taken to protect the two areas were to designate them as SFM Demonstration Sites in the two Community Forest Management Plans.

Suitable High Value Tree Species that can increase the local farmers' income were identified during interviews with both target communities (Activity 1.3.4). They were chiefly fruit trees found wild in the forest, whose fruits can be harvested and sold in Limbang, Durians (*Durio* – Bombacaceae) being the most important species. The EA initiated steps to introduce and demonstrate these species to the target communities by (i) establishing nurseries near each respective village with the help of each target community, to the communities' build capacity and (ii) helped stock the nurseries and demonstration area at ulu Sg Terasak with 1000 seedlings including seedlings of fruit trees, gaharu (*Aquilaria beccariana* and *A. microcarpa* (Thymelaeaceae)) (140) and timber trees (200 belian or sagat (Kelabit) (*Eusideroxylon zwageri*) seedlings; selangan batu (*Shorea*) (200), kapur (*Dryobalanops*) (200) and engkabang (*Shorea macrophylla*) (200) planted at ulu Sg Terasak.

A complete list of tree and NTFP species with economic value to the Kelabit and Penan communities, and worth planting, was developed. This helped with Activity 1.3.5 Demonstrate the Sustainable Harvesting and mode of Processing NTFPs, as the most economically important species could be targeted for sustainable harvesting demonstrations. The prime rattan species used by the Penan community, *Calamus caesius*, was the subject of one such demonstration.

Activity 1.4 Establish the Participatory Community Forest Management Mechanism

A Co-management Agreement (Activity 1.4.1) has been developed and is at the Sarawak State Attorney General's office, for its legal implications to be checked before

signing. The Co-management Agreement will be translated into Bahasa Malaysia for inclusion in the Community Forest Management Plan. Co-management Meetings are being held.

Output 2: Capacity of the community on development enhanced

The achievement of this Output was highly satisfactory.

Activity 2.1 *Alternative Livelihood Activities* comprised four sub-Activities, all of which were completed more or less successfully.

Activity 2.1.1 Fish Raising Demonstration

Establishment of a 'ngifang' or 'tagang' system, where fish are protected in areas in their natural riverine habitat, faced initial problems due to river pollution arising from road construction and destruction of fish feeding sites. Later in the Project, after the pollution problems had resolved, a new tagang system site was identified with the assistance of Agriculture Department Sarawak.

Activity 2.1.2 Livestock or Poultry Raising Demonstration

Five batches of chickens were successfully reared, each over three months. The Kelabit community had the greater success, with Puan Nakap making an average of more than USD 500 [RM 2000] per batch. At sale, each chicken weighed an average of 4.8 kg and was sold at the local price of RM12.50 per kg. Chicken rearing is sustainable only if a supply of chicks can be easily obtained. SKR Long Napir, which is a boarding school, is potentially a good market for halal chickens.

Activity 2.1.3 Vegetable Cropping

The vegetable Project started rather late. The Penan community vegetable cropping area was abandoned for a while as Sarawak Energy Berhad took over the land for a Solar Project. The Penan vegetables are growing well and one Penan vegetable farmer goes as far as a three hour motorbike ride to deliver the vegetables to customers at logging camps. Now the Penan farmers are growing vegetables to meet customer bookings.

Activity 2.1.4 Develop Home-stay for Eco-tourism

The Project upgraded Mr Ajang Gabar's house at Long Napir as a homestay. Two rooms were renovated and can accommodate more than 10 people. The Project also

upgraded facilities at Puan Nomi's house at Kampung Bahagia to make a homestay that can accommodate two persons at a time. The households involved have learned new skills and both homestay hosts have hosted people.

Activity 2.2 *Infrastructure Improvement Contributing to SFM* also comprised four sub-Activities, three of which were completed more or less successfully, while one was cancelled.

Activity 2.2.1 Gravel 7 km of Road from Camp Kilo 0 to LN including construction of more than 1KM of road to old LN

The access road from Km 0 to Long Napir was very dangerous, muddy and slippery during wet periods. More gravel has been applied at the muddy areas to improve roadside drainage. Project partner, Jukut quarry, donated the stone and the Project paid for its (rather costly) transport. The gravelling was particularly necessary as road use is heavier now that a clinic is being constructed at Long Napir.

Long Napir is now linked to Kampung Bahagia. Construction of the 1.5 km village road link to replace the motorcycle track from Long Napir to Kampung Bahagia was successfully completed on time, with the help of Lee Ling Timber Company under their Corporate Social Responsibility initiative. The road includes two steel bridges, each with a span of more than 10 m and load tolerance of more than 30 tonnes, crossing Sg Kibut at Long Napir and Sg Napir at Kpg Bahagia. The estimated cost to Lee Ling Timber was RM 1.9 million for road construction, RM 200,000 to gravel the road and RM 400,000 for each bridge. The overall estimated cost of the road, including input by the State Government, was more than USD 500,000. Local communities surveyed the road alignment from Long Napir to Kpg Bahagia; discussions were held with Native Customary Rights (NCR) land owners and compensation awarded early in the Project for fruit trees that had to be cut down. The Penan community finds the road invaluable to reach the Penan Guesthouse at SRK Long Napir and to transport their handicrafts to Limbang. Two community members have purchased 4WD twin cab vehicles for this purpose. Their handicrafts are now marketed in Brunei, Kuala Lumpur, Penang and even in USA, with the help of an NGO 'Help the Penan'.

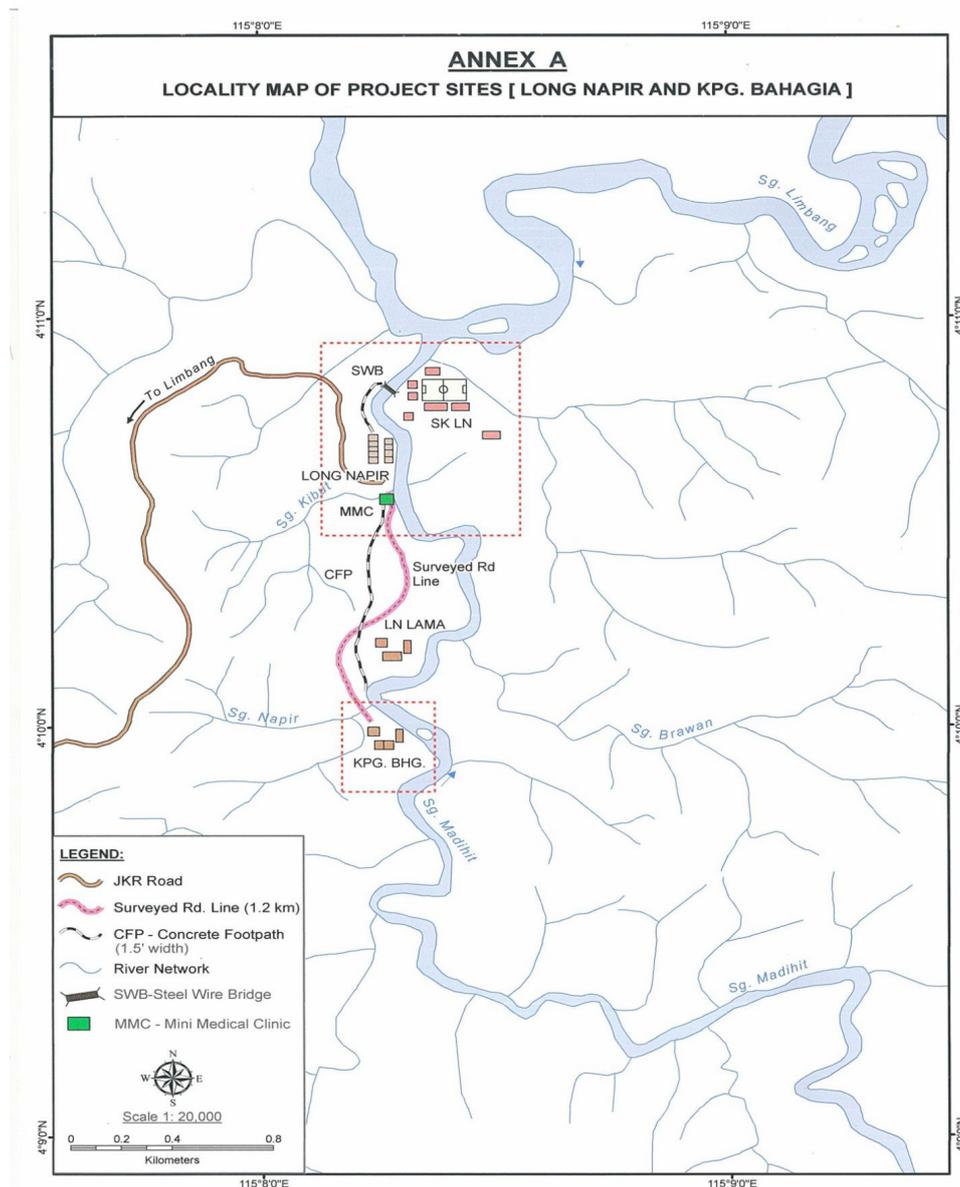


Figure 2: Road alignment between Long Napir and Kampong Bahagia

Activity 2.2.2 Build Multi-functional Meeting Hall for the community

This Activity was cancelled as the Long Napir community could not agree on a site for the Hall.

Activity 2.2.3 Build Guesthouse for the community school

Renovation of the Guesthouse at SKR Long Napir, built for Penan parents to use while settling their children in at school, has been completed, even though this Activity faced delays due to objection from the school management.

Activity 2.2.4 Alternative energy facilities demonstration

Installation of solar energy power systems at selected households at both villages is

complete. However, it has been superseded by a solar power system provided by the government in February 2017.

Additional Activity

The Activity *Project dissemination*, added late in the Project, includes a video of the Project showing its successes, shot in March 2018, in part using a drone (Table 9).

The above details indicate that the Project Goal to promote sustainable forest management (SFM) in Sungai Medihit Watershed through community capacity building, innovative operational model demonstration and establishing a new governance mechanism on community development is well on its way to being achieved.

The Project Specific Objectives:

- *to improve SFM through rational forest management plans applying innovative forest management techniques and establishing effective forest management mechanisms;*
- *to enhance the communities' capacity for SFM and livelihood development, and*
- *to improve the community living conditions by renovating the service infrastructure*

have all been achieved, and the building of the road link between Long Napir and Kpg Bahagia has been a particularly successful move.

Problems encountered in identifying the demonstration sites for both communities were solved during these meetings. An area where Forest Resource Assessment had already been completed was to be set aside as a Demonstration Site.

4.2. Project Impacts

Social impacts

Both target communities were exposed to four new methods of increasing household incomes. Each selected household learned at first-hand new skills to increase their livelihood. Each selected household's income was increased lessening their dependence on forest resources for their livelihood. Other households gained

inspiration from seeing their neighbours succeed with the new methods.

The two households, one Kelabit and one Penan, who were involved in homestay development, have learnt a lot about how to host visitors, including what facilities need to be provided, and how to charge for the service. Both homestays have had visitors, providing some income for the households involved.

There has been a change in how the communities think and they have developed new attitudes. An example from the Kelabit community is a household, having faced challenges rearing chicken as fresh batches of chicks need to be brought in regularly, have started to rear ducks in order to obtain duck eggs, which they can salt and preserve. The ladies of the Penan community are also becoming entrepreneurial. Puan Julia now plants vegetables to fill orders from timber camps and Puan Nomi has a thriving handicraft business and more orders than she can meet, filling orders for handicrafts relayed from customers in Brunei, with the help of an NGO Helping Hands Penan. The communities, having thought Forest Department Sarawak was going to take their land, now look to FDS as their helper. The Kelabit community, once reluctant to show the consultants their patch of reserved forest at Long San, are now supportive of its being a Demonstration Site for Sustainable Forest Management.

There has also been a change in how the communities value the forest resources. They take pride in the big tree (diameter 3.14m) and having been exposed to the concept of raising useful tree species in a nursery, have started to think about ownership of the resources and how to conserve, utilise and enhance them.

The EA has also been encouraged to see how the Activities to raise the communities' standard of living, especially agriculture and fish rearing, have succeeded.

Economic impacts

The Penan community's village is now linked to Long Napir, and thence to Limbang, by the road built under the Project. Two Penan community members have each purchased a 4WD vehicle. They have been seen filling these vehicles with forest products, namely petai, and sending it to Limbang. The Penan handicraft business,

although not a project Activity under the APFNet Project Document, has taken off. The Project Manager took the initiative to initiate this project by making a small outlay of USD150-200 [RM 600 – 800]. Puan Nomi, Puan Liging, Puan Julia and other Penan ladies of Kampung Bahagia used this to buy raw materials at Limbang town to make handicrafts. Today, they produce handicraft items to specified designs ordered by customers in Brunei, Miri and Bintulu. Every Sunday the handicrafts are transported down to Limbang to be collected by agents from Brunei. Puan Nomie receives an income of USD 500-750 [RM 2000-3000] per month, paid directly into her account.

Environmental impacts

The joint Demonstration Site at ulu Sg Terasak is now understood by the communities to be their area, which they shall improve by enrichment planting, and maintain by control of harvesting of forest resources. The protection and enrichment of the Demonstration Site will improve the condition of the forest there. The Kelabit community look forward to having their own Demonstration Site at Long San, once discussions have been completed between Forest Department Sarawak and the licensee in whose licensed area Long San partly falls.

Another environmental impact is the improvement of the river condition, as now both communities understand that unless the river is maintained pollution and silt free, fish culture in tagang systems will not succeed.

Impacts to Forest Department Sarawak

The EA was, for the first time, a party to the development of Community Forest Management Plans (CFMP) to be implemented by each of the communities. The EA is keen to see how these plans work in practise, and possibly deploy CFMPs elsewhere in Sarawak.

4.3. Sustainability

After the project ends Project benefits likely to be sustained include:

- Homestay development. The EA will work with the Ministry of Tourism to register the two homestays with the Ministry, who can then help build capacity for the homestay program.
- The Resident's Office, Limbang, can help promote the tourism and homestay facilities, as was noted in the 2nd PSC meeting.
- The Agriculture Department, Sarawak, can help put in place tagang fish rearing systems in Sg Medihit now that the level of pollution from road construction has become less and assist with livestock rearing and agriculture.
- A tourist agent who used to bring tourists to the area lost interest, but may now be encouraged to bring tourists to the area once again as homestays are available and the communities are interested in hosting visitors.

The EA is interested to continue the project under a Phase 2, in view of the many successes of this project and the target communities' supportive attitude to the way it has been implemented (in spite of initial disagreements, now resolved). A Phase 2 would focus on continuing SFM approaches, such as enrichment planting in the Demonstration Sites, to benefit both communities and build their capacity in Community Forest Management. It would also encompass ecotourism development, as there are potential nearby trekking sites such as Payah Seepai, the location of the 3.14 m diameter yellow meranti tree, and more remote destinations, including peaks (Buduk Peliew and Buduk Mutak) and the Mutak waterfall which have an interesting stories associated with them. Sport fishing is also a possibility, Community members would need to be trained as guides, to take tourists trekking safely and provide interesting accounts.

The EA is also interested in submitting proposals to APFNet for funding for similar work in new areas.

5. CONCLUSION, LESSONS LEARNED AND RECOMMENDATIONS

5.1. Conclusion

The Project Activities have been completed, with the signing of the Co-Management Agreement in progress and some further work on the Demonstration Sites. Activities 2.1 & 2.2 are successfully completed. The Specific Objective to enhance the communities' capacity for SFM and livelihood development and to improve the community living conditions by renovating the service infrastructure has been highly successfully achieved while the Specific Objective to improve SFM through rational forest management plans applying innovative forest management techniques and establishing effective forest management mechanisms still needs some hands-on work by the community.

Some of the project activities were not according to the timetable in the work plan due to various factors. However, the Project overall has had good successes in advancing the communities' livelihood, not least due to infrastructure construction. If lessons learnt are taken into account, this Project could become a model for implementation in other communities.

In many ways the Project Manager caused the Project to succeed, maybe not through the expected channels, but through his insight as to what might make the greatest difference. For example, he prioritised construction of the road link between Long Napir and Kampong Bahagia and provided the seed fund for highly the successful Penan plastic basket weaving enterprise. The PM's close relationship with the community was both helpful and a hindrance. Helpful because he knew the individuals and power structure in Long Napir and had a great heart for both the Kelabit community of Long Napir, and the Penan community of Kampong Bahagia, and a hindrance or counterproductive because he lacked being seen to be impartial and objective, qualities needed to unite the Kelabit kampong factions.

The Penan were responsive and wanted to be part of project almost from the outset whereas the Kelabit community lost time in disagreements early on in the Project.

Interestingly the participating households of the two target communities succeeded to different degrees in the various Activities. The Kelabit households did well rearing Tilapia fish in tanks and rearing chickens while the Penan participating household had great success with vegetable cropping and continue with it to this day. The Penan ladies also succeeded phenomenally with their handicraft industry, which was not even an Activity under the Project, but helped by a seed grant to buy materials from Mr Morris Kapong Senap, APFNet Project Manager, assistance from Help the Penan, a NGO, and not least because of the ease of transportation provided by the new road link from Kpg Bahagia to Long Napir built under the Project. Altogether, in terms of livelihood improvement, the Penan community may have done better out of the Activities than the Kelabit community at this point.

5.2. Lessons learned and recommendations

Table 62: Project Issues, Lessons Learnt and Recommendations

Issues	Lessons learnt	Recommendations
Leadership and guidance	The <i>APFNet PIIM, 2013</i> plan for organization must be followed	<ul style="list-style-type: none"> • If it is necessary to add a titular position for the Director of Forests, the accompanying job description should not involve executive responsibilities • A Project Director (or Leader) position must be there to provide leadership - a Project Manager does not have leadership responsibilities
Problems with financial aspects	The Project line-up should include a Finance Manager who understands treasury instructions	Checks and balances on the Finance Manager's activities should be built into the Project organisation
Poor Monitoring; lack of critical Evaluation of consultants' work	Poor Monitoring leads to delays in Project implementation, and lack of critical Evaluation also led to delays as new consultants were appointed	An M&E programme must be designed into the project
Not all the	More time is needed for	<u>A Phase 2 is needed, to continue with</u>

hands-on SFM activities could be completed within the Project's time-frame	the communities to come to terms with, and implement, what to them are very new activities	<u>implementation, especially of community forest management aspects, and development of new activities to benefit livelihoods, especially tourism.</u>
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Annexes

Annex A Implementation status (scheduled versus actual)

Project Objective / Outputs / Activities (in line with AWP1)	Indicators (from PD)	Means of Verification Baseline of activities	Progress made (% completion of activities & degree of output / objective achieved)	Appraisal time	Actual time
Objective 1 <i>To improve SFM through rational forest management plans applying innovative forest management techniques and establishing effective forest management mechanisms</i>					
Output 1: Improvement in community forest management					
Activity 1.1 Baseline survey on resources and socio-economic development Output: Status report on forest resource and community socio-economic status	The resources and the general socio-economic information in the two communities are available for use	Survey reports of the two communities	100%		
Activity 1.2 Community forest management planning	Participatory approaches and tools are introduced for forest management planning.	Forest management plans for the two communities	100%		

Project Objective / Outputs / Activities (in line with AWP1)	Indicators (from PD)	Means of Verification Baseline of activities	Progress made (% completion of activities & degree of output / objective achieved)	Appraisal time	Actual time
Output: Community Forest Resource Management Plan					
Activity 1.3 Demonstrate sustainable community forest management practices Output: Consultant Report	New silvicultural treatments, integrated traditional knowledge are developed and demonstrated in sites for the two communities	<ul style="list-style-type: none"> • Demonstration schemes for the two communities • Activity reports 	100% <ul style="list-style-type: none"> • Demonstration site not yet completely marked on ground and operating • Two nurseries and related facilities were established, and more seedlings were produced than expected 		
Activity 1.4 Establish the participatory community forest management mechanism Output: Consultant Report	Community governance is enhanced.	<ul style="list-style-type: none"> • Co-management agreement for the communities • Activity completion report 	100% In our previous project progress meeting in March 2018 we decided not to include signing of the agreement in the % completion of the activity. (Co-management Agreement drafted but not yet signed)		

Project Objective / Outputs / Activities (in line with AWP1)	Indicators (from PD)	Means of Verification Baseline of activities	Progress made (% completion of activities & degree of output / objective achieved)	Appraisal time	Actual time
Objective 2 <i>To enhance the communities' capacity for SFM and livelihood development and to improve the community living conditions by renovating the service infrastructure</i>	One community nursery (10ftx20ft) established for each community				
Output 2 Capacity of the community on development enhanced					
Activity 2.1 Alternative livelihood activities Output: Income generating demonstrations	Indicators The selected households get benefit from the livelihood demonstration activities	<ul style="list-style-type: none"> • Activity plans • Completion reports • Income increase of the selected households 	100%		
Activity 2.2 Infrastructure improvement contributing to SFM Output: Improved Infrastructure for the community	Indicators <ul style="list-style-type: none"> • Graveling 7 km of Road from Long Napir to Kpg Bahagia • Cancelled Activity: Build the multi-functional 	<ul style="list-style-type: none"> • Transportation conditions between the two communities improved • Accommodation provided for the 	100% 1. Photographs of the completed road 2. Photographs of the completed guesthouse 3. Records of accommodation		

Project Objective / Outputs / Activities (in line with AWP1)	Indicators (from PD)	Means of Verification Baseline of activities	Progress made (% completion of activities & degree of output / objective achieved)	Appraisal time	Actual time
	meeting hall for the community <ul style="list-style-type: none"> • Build the guesthouse for community school • Solar energy facilities demonstrated 	parents of the pupils <ul style="list-style-type: none"> • Photographs of the completed solar energy facilities • Energy consumption reports • Daily expense decrease of the selected households 	4. Solar energy materials purchased		

Annex B(1) Details of project cost by category (Total USD 460,000);

Financial statement (including balance sheet, source and use of Funds statement, and expenditure details) by both category and activity

Expenses (USD)	APFNet Grant				Counterpart Fund			
	Anticipated A ₁	Actual B ₁	Variance C ₁ (A ₁ -B ₁)	Variance rate D ₁ (C ₁ /A ₁ *100%)	Anticipated A ₂	Actual B ₂	Variance C ₂ (A ₂ -B ₂)	Variance rate D ₂ (C ₂ /A ₂ *100%)
Project staff cost (salary and allowance for project staff and management personnel)	38,400	48,100	-9,700	-25%	63,474	81,500	-18,026	-28%
Consultancy cost (local and international consultants' cost)	50,000	46,904	3,096	6%	0	0	0	0
Travel and related cost (Air fare, local travel, per-diem and etc.)	35,000	30,392	4,608	13%	33,408	32,500	908	2.7%
Meeting and training cost (Venue, facility, hospitality, speakers/experts' fees, participants accommodation, meeting material, etc.)	40,000	35,569	4,431	11%	7,575	6,000	1,575	20%
Field activities cost	124,800	122,077	2,723	2%	31,362	2,175	29,1879	93%
Publication & Dissemination cost (formulation, editing, publishing of articles, reports, books and information products and organization of outreach activities, media activities)	35,000	9,833	25,167	71%	10,605	3,875	6,730	63%
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Office Operation cost (Project administrative management fee and administrative staff cost, lease/rental of office premises, office and facility maintenance, etc.)	31,000	29,869	1,131	3%			-13,774	-58%
					23,726	37,500		
Procurement (Purchase of vehicles, equipment, facilities etc.)	45,600	35,995	9,605	21%				
					0	0		
External audit cost	5,000	5,000	0	0	0	0		
Miscellaneous								
Subtotal								
TOTAL	404,800	363,739	41,061	10%	142,210	163,550	-21,340	-15%

Annex C Project audit report

Submitted in a separate report to the APFNet Secretariat.

Annex D Project outputs

List of work done by consultants

Activity	Outputs	Report Details
1.1	Baseline Survey on Resources and Socio-economic Development (forest resources assessment)	<i>Report on Forest Resource Assessment at APFNet Project Area, Nanga Medihit, Limbang</i> Ricky Jonathan Alek, May 2018
1.1	Baseline Survey on Resources and Socio-economic Development (excluding forest inventory)	<i>A socio-economic study of the communities living within Sungai Medihit watershed, Limbang:</i> Jiram Sidu, Feb. 2017
1.2	Community Forests Resources Management Plans	<i>APFNet Community Forest Management Plans for Sungai Medihit 2018 – 2023.</i> Project Team, June 2018
1.3	Report on activities	<i>Demonstrate sustainable community forest management practices:</i> K.G. Pearce, June 2018
1.3.1	Traditional models for protection and sustainable use of forest resources within communities	See Report on Activity 1.3
1.3.2	Map of the two demonstration sites	Figure 3: Location of Kelabit and Penan SFM Demonstration Sites and other conservation areas: In APFNet Community Forest Mgmt Plans for Sungai Medihit 2018 – 2023
1.3.3	List of high value tree species for the target villages (Also NTFP species)	Table 7: Summary of the most important resources used by the Kelabit and Penan communities: In APFNet Community Forest Mgmt Plans for Sungai Medihit 2018 – 2023
1.4	Establish the Participatory Community Forest Management Mechanism Report on Activity 1.4	<i>Community-based sustainable forest management of Sungai Medihit watershed, Sarawak, Malaysia.</i> Morris Kapong Senap, May 2018
1.4.1	Co-management agreement	<i>Annex B, Community-based sustainable forest management of Sungai Medihit watershed, Sarawak, Malaysia</i>
2.1	Alternative Livelihood Activities	Project Completion Report, Activities 2.1 & 2.2 Alternative Livelihood Activities <i>Infrastructure and Facilities Development</i> Derek Paran, August 2017
2.2	Infrastructure Improvement Contributing to SFM	Project Completion Report, Activities 2.1 & 2.2 Alternative Livelihood Activities <i>Infrastructure and Facilities Development</i> Derek Paran, August 2017

Dissemination outputs

- An account of the Project: *Community-based sustainable forest management and rehabilitation of Sg Medihit watershed* for Tropical Forest Updates in March 2016.
- A briefing on the Project to Sarawak State Secretary, 28 April 2016
- A paper: *Community-based sustainable forest management of Sungai Medihit watershed, Sarawak, Malaysia* was delivered by the APFNet Project Manager at the Heart of Borneo (HoB) Seminar themed *Conserving Biodiversity through Sustaining Communities' Livelihood*, held in Kuching, Sarawak, 7-8 Dec. 2016. About 250 participants from various stakeholder groups, both government agencies and NGOs, were invited.
- An introduction to the Project (power point presentation) was shared at the Asia-Pacific Forestry Planning Workshop *Moving Forward with Purpose: Realizing Strategic Forest Planning* held on 28 March, 2018 in Beijing, China
- *Project changes lives of Long Napir residents* - information about the project - was disseminated in Borneo Talk, Vol. 48 Apr-Jun 2018 pages 20-21.
- A poster displayed at the Poster Session of the Malaysian Forestry Conference held from 31st July - 2nd Aug 2018 in Kuching, Sarawak.
- A dissemination video and brochure of key on-the-ground Project activities requested by APFNet have been produced.