



ASEAN INVESTMENT FRAMEWORK FOR HAZE-FREE SUSTAINABLE LAND MANAGEMENT



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one identity
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ASEAN INVESTMENT FRAMEWORK FOR HAZE-FREE SUSTAINABLE LAND MANAGEMENT (2023 - 2030)

Endorsed by

The 18th Meeting of the Conference of the Parties to the ASEAN Agreement on Transboundary Haze Pollution (COP18 AATHP) on 23 August 2023 in Vientiane, Lao PDR

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Contents

Foreword	v
Acknowledgement	vii
1 Introduction	1
1.1 Land and Forest Fires in ASEAN	1
1.2 ASEAN Investment Framework	1
1.3 Preparation of the AIF-HFSLM	3
2 Strategies	4
2.1 History, Geographic Extent and Trends of Transboundary Haze in ASEAN	4
2.2 Action Taken by ASEAN and AMS to Address Transboundary Haze and Promote Sustainable Land Management	5
2.3 Global Frameworks and Priorities in Relation to Haze-Free Sustainable Land Management	5
2.4 Causes and Drivers of Transboundary Haze	6
2.5 Impact of Fires and Transboundary Haze in ASEAN	7
2.6 Benefits of Haze-Free Sustainable Land Management	8
3 Trends in Financing and Investment in Sustainable Land Management	9
3.1 Options for Financing the Haze-Free Sustainable Land Management	9
3.2 New and Emerging Funding Sources for Addressing Land Degradation and Sustainable Land Management	10
4 Investment Framework for Haze-Free Sustainable Land Management in ASEAN	13
4.1 Goal, Guiding Principles and Objectives	13
4.2 Objectives, Outcomes, Stakeholders and Policy Linkages	15
4.3 Linkage to Other ASEAN Mechanisms	16

5	Institutional and Implementation Arrangements	20
5.1	Implementation Arrangements	20
5.2	Sub-Regional Arrangements	23
5.3	National Institutional/Implementation Arrangements	23
5.4	Developing National Investment Plans/Frameworks	24
5.5	Engaging Multiple Sectors and Partners	24
6	Strategy for Financing and Resource Mobilisation	25
6.1	Potential Sources for Financing of HFSLM	25
6.2	Strategy for Resource Mobilisation	27
6.3	Decentralised Financing Modality with Regional Coordination	28
6.4	Link or Integrate Ongoing and Pipeline Projects into the AIF-HFSLM	28
6.5	Indicative Funding Priorities and Scale of New Resources Required	29
7	Monitoring and Evaluation	30
7.1	Monitoring and Evaluation Objectives	30
7.2	Data Collection and Processing Arrangements	30
7.3	Reporting	31
7.4	Mid-Term Review	31
8	Initial Steps for Further Development and Implementation	32
	Appendix 1 Key ASEAN Initiatives and Mechanisms	34
	Appendix 2 Key Policies and Strategies	41
	Appendix 3 Indicative Investment Needs	46

Foreword



For nearly three decades, transboundary haze pollution has cast its shadow over the ASEAN region, causing significant economic, social, and environmental damage. The haze has led to the loss of natural resources, disrupted tourism and travel, undermined agriculture productivity, and caused serious health problems. The fires responsible for the haze problem have also destroyed critical forest and peatland ecosystems crucial for water resource management and biodiversity conservation. The fires and the resulting ecosystem degradation are among the region's largest sources of greenhouse gas emissions. This dire situation urgently demands immediate and long-term sustainable solutions.

Against this backdrop, recent reviews of both the ASEAN Peatland Management Strategy (APMS) 2006-2020 and the Roadmap for ASEAN Cooperation on Transboundary Haze Pollution Control with Means of Implementation (ASEAN Haze-Free Roadmap) 2016-2020 have highlighted a critical barrier to their effective implementation: inadequate access to resources, especially for national and local cross-sector actions. Although there may be new and expanding sources of funds from private investors, commercial banking as well as global environment-related mechanisms, key national and local stakeholders face significant challenges in accessing these resources.

It is also recognised that preventing fires and transboundary haze requires a stronger focus on transforming land management practices and increasing investment in the circular economy, natural capital, and ecosystem protection and restoration. To support these efforts, the ASEAN Investment Framework for Haze-Free Sustainable Land Management (2023-2030) has been developed to facilitate better access to resources, aiding the implementation of crucial local initiatives as well as national and regional strategies, plans, and policies.

Endorsed in August 2023, the Framework aims to foster multi-stakeholder partnerships at national, sub-regional and regional levels to enhance resource availability, with the goal of preventing large-scale burning of forests, peatlands, and agricultural residues through socially and

economically viable alternatives. An initial target has been set to leverage USD 1.5 billion in funding by 2030.

The Framework complements and supports the implementation of the second ASEAN Haze-Free Roadmap 2023-2030, which was adopted by the 18th Meeting of the Conference of the Parties to ASEAN Agreement on Transboundary Haze Pollution in August 2023. It also aims to strengthen the implementation of the ASEAN Peatland Management Strategy 2023-2030 and the Chiang Rai Plan of Action for Transboundary Haze Pollution Control in the Mekong Sub-Region.

It is noteworthy that the Investment Framework has adopted a bottom-up approach to secure resources across all levels. It underscored the critical need for collective action with the active engagement of all sectors and stakeholders of society to address the impacts of transboundary haze.

Nearly two years in the making, the Investment Framework is the result of a collaborative effort between the ASEAN Member States and their partners, with the support of the Global Environment Centre (GEC) through the Measurable Action for Haze-Free Sustainable Land Management in Southeast Asia (MAHFSA) Programme and funded by the International Fund for Agricultural Development (IFAD).

I hope that key stakeholders and decision-makers within ASEAN, together with our partners, will be guided by this Framework to enhance their collective efforts in finance, investment and resource mobilisation, with a view to transforming land and forest management in ASEAN and realising our vision for a clean and green ASEAN. The ASEAN Secretariat stands ready to further facilitate and coordinate with partners, stakeholders and ASEAN Member States for the effective implementation of this Investment Framework.



DR. KAO KIM HOURN

Secretary-General of ASEAN

Acknowledgement

The 18th Meeting of the Committee under the Conference of the Parties to ASEAN Agreement on Transboundary Haze Pollution (COM-18) and 18th Meeting of the Conference of the Parties to ASEAN Agreement on Transboundary Haze Pollution (COP-18) held on 22-23 August 2023 in Vientiane, Lao PDR, acknowledged the achievements and progress of regional cooperation efforts in addressing a number of environmental issues.

The Meetings commended the Committee under the Conference of Parties to the ASEAN Agreement on Transboundary Haze Pollution and welcomed the adoption of the Second Roadmap for ASEAN Cooperation on Transboundary Haze Pollution Control with Means of Implementation and the ASEAN Peatland Management Strategy (APMS) 2023-2030 to further strengthening, intensifying, and comprehensively addressing the root causes of transboundary haze pollution. The Meetings further endorsed the ASEAN Investment Framework for Haze-Free Sustainable Land Management (AIF-HFSLM) to enhance multi-stakeholder partnerships and securing resources at local, national and regional levels to promote sustainable land management and effectively address transboundary haze issues.

This document would not be completed without the valuable contributions and support received from the Environment Division of ASEAN Secretariat, MAHFSA Programme Coordination Unit, and the AIF-HFSLM Advisory Team*. Additionally, gratitude extended to the MAHFSA Dialogue Partners, Peatland Partners, Development Agencies and interested stakeholder for their inputs, which have made this document viable. Lastly, a special acknowledgment goes to the ASEAN Member States (AMS) for their diligent review and guidance, leading to its endorsement.

* The AIF-HFSLM Advisory Team was established in August 2022 to support the development process of the AIF-HFSLM document. Comprising of 10 members, the Team consist of Alexendar Hanrath (Lestari Capital), Anouj Mehta and Alexis Lebel (Asian Development Bank), David Ganz (RECOFTC), Elim Sritaba (Asia Pulp and Paper/Sinarmas Group), Pierre Yves Guedes (International Fund for Agricultural Development), Luanne Sieh (CIMB Group), Michael Brady (Centre for International Forestry Research), Marcel Silvius (Global Green Growth Institute), Darrel Webber, and David McCauley.

1 Introduction

1.1 Land and Forest Fires in ASEAN

Land and forest fires and associated transboundary smoke haze are one of the most serious environmental challenges in ASEAN. More than 50 million hectares (ha) of land in ASEAN is prone to fires and transboundary smoke haze has affected more than 70 million people and covered an area up to 10 million km² (1 billion ha). Direct economic impacts from fires have been estimated as more than USD 15 billion in one year in Indonesia alone. Indirect impacts on health, welfare, agriculture productivity, transport and tourism are much more.

Over the past 25 years, there have already been a number plans and mechanisms developed to address transboundary haze and enhance peatland as well as broader land management approaches in the region including: the Regional Haze Action Plan (RHAP) and associated National Action Plans adopted in 1997-1998; The ASEAN Peatland Management Strategy (APMS) 2006-2020 and associated National Action Plans on Peatlands (NAPPs); and the Roadmap on ASEAN Cooperation towards Transboundary Haze Pollution Control with Means of Implementation (ASEAN Haze-Free Roadmap) 2016-2020.

One of the challenges in implementing the earlier plans has been that the previous ASEAN plans have not had a dedicated resource allocation or investment plans associated with them. In addition, they have been developed primarily from the perspective of the environment sector with less engagement of the economic sector and related stakeholders.

1.2 ASEAN Investment Framework

The ASEAN Investment Framework for Haze-Free Sustainable Land Management (AIF-HFSLM) has been developed to generate support the implementation of initiatives in the ASEAN region to prevent transboundary smoke haze and promote sustainable land management.

The AIF-HFSLM is intended to support the implementation of the APMS 2023-2030 and the ASEAN Haze-Free Roadmap 2023-2030 (both of adopted in August 2023). It also is in line with the strategic measure of the ASEAN Socio-Cultural Community (ASCC) Blueprint 2025 to strengthen regional cooperation on sustainable forest management in the context of forest fire prevention and control, including through guiding framework of the AATHP, to effectively address transboundary haze pollution.

The AIF-HFSLM is intended to enhance multi-stakeholder partnerships to prevent haze, and guide and support the securing of resources at local, national and regional levels. In particular, the development of AIF-HFSLM is key to address, among others, the following gaps:

1. The lack of dedicated resource allocation or investment plans associated with existing ASEAN plans and mechanisms developed to address transboundary haze in the region;
2. Limited direct involvement of other related stakeholders in the preparation and implementation of ASEAN peatland and haze plans;
3. Knowledge and capacity related barriers to access the expanding financing options related to climate and impact investments;
4. Limited engagement with the private sector and international investors/funders; and
5. The high levels of investment needed to facilitate haze-free sustainable land management to address transboundary haze pollution issues.

The AIF-HFSLM will also help to develop a pipeline of projects and project ideas together with potential funding sources and modalities. These projects could potentially cover a wider range of focal areas relating to the sources of haze and potential solutions to promoting sustainable land management in Southeast Asia. Initiatives that could be supported include integrated fire management, haze-free commodity supply chains, land rehabilitation, circular economy, restoration of biodiversity and peatland ecosystems, as well as enhancing capacity for fire prevention and sustainable land management as well as to facilitate investment and financial resources to support project ideas in these areas.

1.3 Preparation of the AIF-HFSLM

The AIF-HFSLM has been developed by the ASEAN Secretariat and ASEAN Member States (AMS) between December 2021 and July 2023 with the support of the Global Environment Centre and the IFAD financed Measurable Action for Haze-Free Sustainable Land Management in Southeast Asia (MAHFSA) Programme.

The AIF-HFSLM was prepared through a bottom-up approach based on inclusive stakeholder inputs and consultations.

The main steps in the development of the AIF-HFSLM were as follows:

1

Organise a scoping workshop in January 2022 with AMS and other stakeholders on approach and process for development of the investment framework and explore modalities with representatives of existing financing frameworks

2

Compile and synthesis key priority actions from related ASEAN frameworks especially the APMS and the ASEAN Haze-Free Roadmap to determine the key elements for inclusion in the investment framework

3

Established an Advisory Team to guide the development of the investment framework

4

Convene a series of consultation and working meetings with AMS and other stakeholders to develop the investment framework

5

Collate information on ongoing and planned projects and initiatives that are in line with the objectives of the AIF-HFSLM and other related ASEAN priorities including new project ideas requiring additional funding

6

Identify potential sources of financing and investment to support haze-free land management in ASEAN

2 Strategies

2.1 History, Geographic Extent and Trends of Transboundary Haze in ASEAN

The ASEAN region has experienced periodic episodes of severe transboundary haze pollution arising from land and forest fires over the past 25 years. The fires and transboundary smoke haze have had significant social, economic and environmental impacts including: ecological damage to forests and peatlands; reduced crop productivity; negative impact on human health; economic damage through loss of productivity, disrupted transport and tourism; and social damages.

The fires and transboundary haze in southern ASEAN region are dominated by forest, and peatland fires. In the northern part of ASEAN the source of transboundary haze is more closely linked to agricultural development and the burning of agriculture crop residuals, although peatland and forest fires also have an impact.

In southern ASEAN, transboundary haze pollution primarily occurs as a result of extensive land and forest fires, especially in drained peatlands linked to logging, agriculture development and the cultivation of commodities such as palm oil or pulpwood ¹, with smoke from peatland fires estimated as contributing up to 90% of the transboundary haze. Transboundary haze in the southern ASEAN region usually happens between July-September, during the Southwest Monsoon. Disturbed peatland landscapes remain fire-prone even though most large plantation companies have reduced the intentional use of fires. Although significant improvements have been made in recent years in southern ASEAN through multi-stakeholder action, improved law enforcement and expanded peatland rewetting and management – there are still significant for episodes such as in 2019.

Transboundary haze in the northern ASEAN sub-region or Mekong sub-region normally occurs in first quarter of the year during the dry season.

¹ Varkkey, H. 2022. *Right to Clean Air: The People v. Haze across Southeast Asia*. Heinrich Böll Stiftung. <https://th.boell.org/en/2022/04/27/people-vs-haze>

The main causes are small to medium scale burning for land clearing and disposal of agricultural residuals. Maize production in the Mekong sub-region has been associated with the increase of serious transboundary haze problems². This has been linked with transnational commodity supply companies that promote extensive maize farming for the feed stock industry. Aside from maize, burning associated with other crops such as sugarcane or rice can lead to local and transboundary haze pollution. Smoke haze pollution in northern region of ASEAN has been recognised as a problem since 2005. In recent years the issue has been getting worse with more frequent and extensive fires.

2.2 Action Taken by ASEAN and AMS to Address Transboundary Haze and Promote Sustainable Land Management

ASEAN had recognised forest fire and transboundary haze issue for more than three decades. A large number of plans and initiatives were developed and implemented including the adoption of the ASEAN RHAP; establishment of the AATHP; approval of the APMS 2006-2020; and the ASEAN Haze-Free Roadmap 2016-2020. Further information on selected initiatives is given in **Appendix 1**.

2.3 Global Frameworks and Priorities in Relation to Haze-Free Sustainable Land Management (HFSLM)

The goal of haze-free sustainable land management is fully in line with the objectives and obligations related to a range of global conventions and agreements including:

- a. United Nations Framework Convention on Climate Change (UNFCCC)
- b. United Nations Convention to Combat Desertification (UNCCD)
- c. Convention on Biological Diversity (CBD)
- d. United Nations Sustainable Development Goals (SDGs)/Global Goals

2 Rujivanarom, P. 2021. *Transboundary haze: The hidden price of cheap maize*. Mekong Eye. <https://www.mekongeye.com/2020/12/30/transboundary-haze-the-hidden-price-of-cheap-maize/>

Taking action to prevent or control fire and haze in the ASEAN region will be a major positive contribution to the implementation of these global conventions and agreements. Alignment with the related national plans and strategies related to these conventions is important.

2.4 Causes and Drivers of Transboundary Haze

The main causes and indirect and direct drivers of fire and transboundary haze in ASEAN include:

Direct causes

- a. Forest and land clearing with fire
- b. Peatland clearance and drainage
- c. Burning of biomass from land clearing
- d. Burning of agricultural residuals
- e. Fires associated with logging, hunting, fishing and other extractive activities

Direct drivers

- a. Increasing demand for commodities such as oil palm, pulp and paper
- b. Intensification of droughts linked to climate change
- c. Land conflicts and unclear land tenure

Indirect drivers

- a. Population increases
- b. Poverty
- c. Lack or limited law enforcement
- d. Inadequate systems and capacity for fire risk warning, prevention and control
- e. Corruption and poor governance
- f. Multi-annual weather patterns such as El Nino Southern Oscillation (ENSO) and Indian Ocean Dipole (IOD)

- g. Other: there are also contributing factors that raise the chance of fire incidents, including political, economic, physiographic, sociocultural and institutional factors³.

2.5 Impact of Fires and Transboundary Haze in ASEAN

Land degradation and haze pollution has severe economic, social as well as environmental impacts. The regular occurrence of land fire outbreaks has caused massive loss to the revenue of environmental services. Damages caused by fires is often difficult to quantify, especially when nontangible losses are involved. Extent of impacts would depend on frequency and intensity of fire, fuel load, type of forests involved and climatic factors.

Direct losses from fire and haze in Indonesia alone has been estimated at USD 16 billion in 2015 alone⁴. The Singapore government and researchers estimated losses of between USD 500 million and USD 1.34 billion from the 2015 haze episode. For the 2019 haze event, the World Bank estimated USD 5.2 billion in losses for Indonesia, while researchers in Thailand estimated USD 77 million in losses for Bangkok alone⁵. Forest fires also directly affecting on indigenous and local population and their means of livelihood and jeopardises the prospects and ability of the rural poor to improve their standard of living. Apart from that, forest fires have caused serious direct economic losses through damage and decline in the quality of forest growing stock, where it degrades the surviving forests status by exerting potential impacts on composition, regeneration, productivity, protection function and aesthetic values. Haze pollution can also negatively impact the economy through reducing enterprise performance, reducing tourism and trade and blocking foreign direct investment. According to health experts, haze and other pollutants can causing asthma, respiratory diseases, stroke or even lung cancer in Southeast Asia.

3 Qadri, S., T. 2001. *Fire, Smoke and Haze The ASEAN Response Strategy*. Asian Development Bank. <https://www.adb.org/sites/default/files/publication/28035/fire-smoke-haze.pdf>

4 Tan. R. 2016. *Haze cost Singapore \$700m last year: Masagos*. <https://wildsingaporenews.blogspot.com/2016/03/haze-episode-cost-singapore-estimated.html>

5 Varkkey, H. 2022. *Right to Clean Air: The People v. Haze across Southeast Asia*. Heinrich Böll Stiftung. <https://th.boell.org/en/2022/04/27/people-vs-haze>

2.6 Benefits of Haze-Free Sustainable Land Management

The main benefits of haze-free sustainable land management include:

a

Reduce loss and degradation of biodiversity

b

Reduce land degradation from fire

c

Avoided loss of crops and agricultural productivity

d

Reduction of Greenhouse Gases (GHG) emission and enhanced GHG sequestration

e

Improved resilience to climate change

f

Improved health, welfare and productivity of communities in fire and haze prone areas

g

Improved tourism in fire and haze prone regions

h

Avoided trade disruptions

i

Potential new products based of crop or production residuals that were previously burnt

3 Trends in Financing and Investment in Sustainable Land Management

3.1 Options for Financing the Haze-Free Sustainable Land Management

There are a range of economic and fiscal policy mechanisms⁶ that could halt land degradation and biodiversity loss as well as enhance natural ecosystems and generate enhanced economic value⁷ including:

- a. Removal of harmful subsidies
- b. Investment risk management/Environmental, Social and Governance (ESG) processes
- c. Biodiversity offsets
- d. Pollution or biodiversity taxes and fees
- e. Natural infrastructure financing
- f. Green finance market instruments
- g. Global Environmental Finance mechanisms
- h. Land degradation and biodiversity linked ODA
- i. Nature-based solutions and carbon markets
- j. Sustainable supply chains requirements

6 Deutz, A., Heal, G. M., Niu, R., Swanson, E., Townshend, T., Zhu, L., Delmar, A., Meghji, A., Sethi, S. A., and Tobinde la Puente, J. 2020. *Financing Nature: Closing the global biodiversity financing gap*. The Paulson Institute, The Nature Conservancy, and the Cornell Atkinson Center for Sustainability. https://www.paulsoninstitute.org/wp-content/uploads/2020/10/FINANCING-NATURE_Full-Report_Final-with-endorsements_101420.pdf

7 Academy of Sciences Malaysia. 2018. *Local & Transboundary Haze Study. Haze: Help Action Toward Zero Emissions*. Perpustakaan Negara Malaysia. <https://www.akademisains.gov.my/asm-publication/haze-study/>

3.2 New and Emerging Funding Sources for Addressing Land Degradation and Sustainable Land Management

There are a broad range of new and emerging funding sources for addressing land degradation and sustainable land management⁸ including:

The Global Forest Finance Pledge

At UNFCCC COP26 in November 2021, more than 130 world leaders committed to work collectively to halt and reverse forest loss and land degradation by 2030, while delivering sustainable development and promoting inclusive rural transformation⁹. Funding will be provided to developing nations as a priority, supporting projects to restore land degraded by land use change due to agri-food and other commercial activities as well as floods, drought, and wildfires. The commitment includes over USD 19 billion in public and private funds to support regenerative actions¹⁰, with 14 country and philanthropic donors pledging at least USD 1.7 billion between 2021 and 2025 to advance Indigenous Peoples and Local Communities (IPLC)'s forest tenure rights and support their role as guardians of forests and nature¹¹. The commitment also included a promise by CEOs from more than 30 financial institutions controlling more than USD 8.7 trillion in global assets to eliminate investment in activities linked to deforestation¹². It also includes commitments to facilitate trade and development policies that avoid deforestation and land degradation, especially regarding internationally traded agricultural commodities, such as beef, soy, palm oil, and timber¹³.

8 United Nations Convention to Combat Desertification, 2022. The Global Land Outlook, second edition. UNCCD, Bonn.) unccd.int/resources/global-land-outlook/global-land-outlook-2nd-edition

9 Adriana, E., A. 2022. *The Glasgow Leader's Declaration on Forests and Land Use: Déjà Vu or Solid Restart?* United Nations University. collections.unu.edu/eserv/UNU:8669/COP26ForestGovernance.pdf

10 UNFCCC, 2021. *The Global Forest Finance Pledge. UN Climate Change Conference 2021.* unfccc.int/news/cop26-pivotal-progress-made-on-sustainable-forest-management-and-conservation

11 UNFCCC, 2021. *COP26 IPLC Forest Tenure Joint Donor Statement. UN Climate Change Conference 2021.* pfb-cbfp.org/news-partner/Guardianship-Glasgow.html

12 UNFCCC Race to Zero, 2021. *Leading financial institutions commit to actively tackle deforestation. UNFCCC Race to Zero.* climatechampions.unfccc.int/leading-financial-institutions-commit-to-actively-tackle-deforestation/

13 UNFCCC, 2021. *Glasgow Leaders Declaration on Forests and Land Use. UN Climate Change Conference 2021.* collections.unu.edu/eserv/UNU:8669/COP26ForestGovernance.pdf

Land Degradation Neutrality (LDN) Fund

The UNCCD spearheaded the establishment of the LDN Fund, a path-breaking example of how the public and private sector can invest together in nature-positive solutions to enhance livelihoods in developing countries. Investing in land restoration is not just about improving environmental health or safeguarding ecosystem services. It is also a quick way to create jobs, improve livelihood opportunities, and promote equitable and sustainable development in places that have been historically poorly served by private investments. These investments can help ensure that COVID-19 recovery efforts support green jobs and sustainable businesses for the billions of people who depend on land resources for their livelihoods¹⁴.

Ecosystem Restoration Fund

Launched by BNP Paribas Asset Management in 2021, this fund is expected to invest in 40-60 holdings selected from 1,000 global companies focused on ecosystem restoration. The fund will focus on aquatic ecosystems (e.g., water pollution control, water treatment and sustainable packaging, aquaculture, efficient irrigation systems, and flood control solutions); terrestrial ecosystems (e.g., technologies relating to alternative protein, sustainable agriculture, forestry, and plantations); and urban ecosystems (e.g., environmental services, green buildings, recycling, waste management, and alternative transport)¹⁵.

Food Systems, Land Use and Restoration (FOLUR) Impact Program

This program is structured around a global platform and 27 country projects, which aims to transform the global food and land use systems by restoring degraded landscapes and promoting sustainable land management practices. With a commitment of USD 307 million from the GEF and additional co-financing, FOLUR promotes sustainable integrated landscape management and more efficient food value chains at scale. It

14 UNCCD, (n.d.) Land Degradation Neutrality Fund. UNCCD, Bonn. unccd.int/land-and-life/land-degradation-neutrality/impact-investment-fund-land-degradation-neutrality

15 Kirakosian M., & Perron V. B., 2021. *BNP Paribas AM launches ecosystem restoration fund*. Citywire Selector. citywire.com/selector/news/bnp-paribas-am-launches-ecosystemrestoration-fund/a1515869

specifically targets large production landscapes for eight commodities: beef, cocoa, maize, coffee, palm oil, rice, soy, and wheat¹⁶.

Environmental, Social and Governance (ESG) Standards

While governments can channel financial flows through a range of mechanisms, they can also pull levers to change tax incentives around private investments, encourage the adoption of ESG standards, and implement financial de-risking policies. These strategies would boost the amount of private sector finance for restoring natural capital^{17,18}. A range of ESG standards and reporting protocols are used by firms and investment funds to screen investments according to three pillars:

- An environmental pillar interrogates how companies perform as nature stewards, focusing on the environmental impact, carbon footprint, and resource intensity of their investments.
- A social pillar evaluates companies' relationships with employees, suppliers, customers, and the communities in which it operates, including labour relations, diversity and inclusion.
- A governance pillar focuses on internal governance systems and practices, such as decision-making on executive remuneration, shareholder rights, and stakeholder interactions.

The rapid growth of ESG-oriented investing in recent years is due to heightened societal, governmental, and consumer attention on issues of sustainability and equity. At the start of 2020, global ESG assets were valued at USD 35 trillion.

16 The World Bank, 2022. *The Food Systems, Land Use and Restoration (FOLUR) Impact Program. Brief*. The World Bank. <https://www.worldbank.org/en/topic/agriculture/brief/the-food-systems-land-use-and-restoration-folur-impact-program>

17 UNDP. 2020. *Moving Mountains: Unlocking Private Capital for Biodiversity and Ecosystems*. UNDP. <https://www.biofin.org/news-and-media/moving-mountains-unlocking-private-capital-biodiversity-and-ecosystems>

18 Aronson, J., Milton, S. & Blignaut, J., 2006. *Conceiving the science, business, and practice of restoring natural capital*. *Ecological Restoration*, 24(1), pp.22-24. <https://www.jstor.org/stable/43442991>

4 Investment Framework for Haze-Free Sustainable Land Management in ASEAN

4.1 Goal, Guiding Principles and Objectives

Goal : ASEAN free of transboundary haze by 2030

Principles : The AIF-HFSLM has been developed based on a number of key principles:

a. Whole of ASEAN Multi-Stakeholder Approach

The AIF-HFSLM has been developed with a “Whole of ASEAN Approach” to link together different sectors and stakeholders to address the root causes and drivers of land degradation, fires and transboundary haze. Earlier approaches by ASEAN have had only limited success as they have focussed primarily on only a few sectors (primarily those linked to environment/pollution as well as forest and peatland management) and a limited number of stakeholders (primarily national and local governments). Other important sectors such as agriculture, commodities, land development and finance have not been effectively engaged. Similarly, the local communities and private sector have had limited direct engagement. To address this fundamental issue, the AIF-HFSLM is being developed as a multi-sector and multi-stakeholder initiative. This will however need a strong leadership and vision at ASEAN and national level to ensure that it can be effectively implemented.

b. Support and Build on Existing Institutions and Policies

The AIF-HFSLM will support and build upon existing institutions, mechanisms and policies both at the ASEAN and country levels. It will avoid re-inventing the wheel or duplicating existing mechanisms and processes.

c. Address Root Causes and Drivers

The AIF-HFSLM will work to address root causes and drivers rather than focussing on symptoms. It will focus on fire and haze prevention through supporting sustainable land management rather than focus on firefighting and haze response. It will work with commodity supply chains and market mechanisms to change the way of crop production and processing. It will encourage circular economy to give incentives to re-use agricultural residuals rather than focus on enforcement of zero burning.

d. Multi-Partner and Multichannel Approach

Rather than focus on creating a centralised funding mechanism, it will focus on facilitating and encouraging multiple funding partners from government, private sector, development assistance communities and civil society to support different elements that will contribute to the goal of the AIF-HFSLM.

Objectives

A series of objectives have been developed through a participatory process to provide a framework for the key actions to be supported under the AIF-HFSLM:

- Objective 1: To expand use of sustainable and haze-free practices in the agriculture and commodity sectors in ASEAN to prevent transboundary haze;
- Objective 2: To empower and support indigenous peoples and local communities (IPLCs) to transition to haze-free land management;
- Objective 3: To enhance sustainable forest and peatland management to prevent fires and haze;
- Objective 4: To integrate fire and haze prevention into sustainable finance frameworks;
- Objective 5: To enhance policy and governance and strengthen capacity and awareness for HFSLM in ASEAN.

4.2 Objectives, Outcomes, Stakeholders and Policy Linkages

The AIF-HFSLM has been divided into five key objectives with corresponding outcomes – each of which is linked to a different sub-group of stakeholders. The objectives have been developed in such a way as to enable clustering of key stakeholder groups around the pillars and partly to parallel the structures in ASEAN.

Table 1. AIF-HFSLM objectives, outcomes, strategies and key stakeholders to be involved

AIF-HFSLM Objectives	AIF-HFSLM Outcomes by 2030	AIF-HFSLM Strategies	Key Stakeholders
1) To expand use of sustainable and haze-free practices in the agriculture and commodity sectors in ASEAN to prevent transboundary haze	Outcome 1: Agriculture and commodity sector in ASEAN managed in a more sustainable manner, without contributing to transboundary haze	Strategy 1.1. Establish or further strengthen haze-free commodity supply chains and implement sustainable practices Strategy 1.2. Invest in cross-sectoral and business adoption of circular economy in the agriculture and commodity sectors to avoid use of fire	<ul style="list-style-type: none"> • Ministries of agriculture, commodities, rural development and the environment. • Commodity roundtables (RSPO, Roundtable on Sustainable Rubber etc) • Private sector commodity producers and traders • UN and Civil society processes and organisations related to agriculture and commodities (e.g. IFAD, FAO etc) • UN Global Compact
2) To empower and support indigenous peoples and local communities (IPLCs) to transition to haze-free land management	Outcome 2: Equitable and just transition for IPLCs to uplift their welfare through haze-free sustainable agriculture and land management	Strategy 2.1. Empower and incentivise indigenous peoples and local communities (IPLC) to act as stewards of, and sustainably manage, land and natural resources to prevent haze	<ul style="list-style-type: none"> • Ministries of agriculture, rural development, environment and natural resources • Local Governments • Civil society Organisations – Community Development • Indigenous Peoples and Local Communities • Asian Indigenous Peoples Pact • Private Sector
3) To enhance sustainable forest and peatland management to prevent fires and haze	Outcome 3: Halt to large-scale degradation of forests and peatlands by fire in ASEAN by 2030	Strategy 3.1. Prevent and reverse forest degradation by fire to restore biodiversity and ecosystem services Strategy 3.2. Protect, sustainably manage and restore peatland ecosystems to avoid haze and emissions and maintain ecological services	<ul style="list-style-type: none"> • Ministries of environment, forestry and natural resources • UN REDD • Conservation agencies • Civil Society Conservation Organisations • IPLCs • REDD+ and Carbon finance • International and regional initiatives on forest and wetland conservation (e.g. LEAF, GCFTF)

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AIF-HFSLM Objectives	AIF-HFSLM Outcomes by 2030	AIF-HFSLM Strategies	Key Stakeholders
4) To integrate fire and haze prevention into sustainable finance frameworks	Outcome 4: Reduced finance for activities degrading the land and increased access to financing for haze-free sustainable land management in ASEAN	Strategy 4.1. Restrict or stop finance to sectors and actions that contribute to land degradation and fires Strategy 4.2. Scale-up financing for haze-free sustainable land management from government, private sector and global community	<ul style="list-style-type: none"> • Ministries of Finance • Central Banks • Private sector finance • Sovereign Wealth funds • Investors • ASEAN Working Groups on Finance • International Finance Institutions (ADB, World Bank, IFAD) • Climate, biodiversity and land degradation finance mechanisms
5) To enhance policy and governance and strengthen capacity and awareness for HFSLM in ASEAN	Outcome 5: Sufficient capacity at all levels and sectors to implement haze-free sustainable land management in ASEAN	Strategy 5.1. Strengthen regional, national and local capacity and awareness on haze-free sustainable land management Strategy 5.2. Enhance ASEAN capacity for fire and haze prevention, preparedness, response and recovery	<ul style="list-style-type: none"> • Ministries of agriculture, commodities, natural resources, rural development and the environment • Related ASEAN Institutions and mechanisms • ASEAN Development Partners • Civil Society and private sector partners

4.3 Linkage to Other ASEAN Mechanisms

As guided by the AMS and stakeholders, it is important to match the proposed objectives and strategies with the strategies of the new ASEAN Haze-Free Roadmap and Focal Areas of the APMS, as well as other relevant ASEAN guidelines and/or initiatives (see **Appendix 2**). It is also very important to make linkages with relevant ASEAN sectoral bodies and working groups including COM/COP under the AATHP, ASEAN Ministers of Agriculture and Forestry (AMAF), ASEAN Task Force on Peatlands (ATFP), ASEAN Working Group on Nature Conservation and Biodiversity (AWGNCB) and ASEAN Working Group on Climate Change (AWGCC); ASEAN Working Group on Forest and Climate Change (AWGFCC), ASEAN Working Group on Forest Management (AWGFM), and ASEAN Sectoral Working Group on Crops (ASWGC). Key linkages are given in Table 2.

Table 2. Matching of AIF-HFSLM Objectives with Roadmap's Strategies, APMS' Focal Areas, other ASEAN and global frameworks and related ASEAN Bodies

AIF-HFSLM Objectives	APMS Focal Areas	ASEAN Haze-Free Roadmap Strategies	Other ASEAN Frameworks	Related ASEAN Sectoral Bodies	Global Frameworks
1) To expand use of sustainable and haze-free practices in the agriculture and commodity sectors in ASEAN to prevent transboundary haze	FA7 Integrated peatland management FA9 Research	Strategy 3: Sustainable management of agricultural land and forests to prevent large scale forest and/or land fires Strategy 9: Evaluate and mitigate the impacts of haze on health, the economy, society and the environment	ASEAN Guidelines on Sustainable Agriculture (KP1, KP3, KP4) ASEAN Guidelines for Responsible Investment in Food, Agriculture and Forestry (FAF) (all G1-G10) Framework for Circular Economy for the ASEAN Economic Community	ASEAN Ministers of Agriculture and Forestry (AMAF) ASEAN Sectoral Working Group on Crops (ASWGC)	UNSDGs/ Global Goals: 1, 2, 3, 8, 12, 13 World Food Summit UNCCD LDN target RSPO Principles and Criteria for Sustainable Palm Oil UNFCCC NDC
2) To empower and support indigenous peoples and local communities (IPLCs) to transition to haze-free land management	FA3 Community livelihoods FA7 Integrated peatland management	Strategy 8: Enhancing public awareness and stakeholder participation Strategy 9: Evaluate and mitigate the impacts of haze on health, the economy, society and the environment	ASEAN Guidelines on Sustainable Agriculture (all KP1-KP5) ASEAN Guidelines for Responsible Investment in FAF (G2, G3, G4, G5)	ASEAN Civil Society Conference (ACSC) ASEAN Peoples Forum (APF) RECOFTC	UNSDGs/ Global Goals: 3, 8, 11, 12, 13, 15 UN DRIP CBD Article 8(j) Climate adaptation
3) To enhance sustainable forest and peatland management to prevent haze	FA1 Inventory, mapping and assessment FA2 Restoration and rehabilitation	Strategy 1: Enhance the implementation of the ASEAN Agreement on Transboundary Haze Pollution including the capabilities of the ASEAN Coordinating Centre for Transboundary Haze Pollution Control (ACC THPC)	ASEAN Guidelines in Promoting Responsible Investment in Food, Agriculture and Forestry (FAF) (G4, G5, G6, G7, G9, G10) ASEAN Criteria and Indicators for Sustainable Management of Tropical Forests (2017)	ASEAN Ministers of Agriculture and Forestry (AMAF) ASEAN Working Group on Nature ASEAN Working Group on Climate Change (AWGCC)	UNSDGs/ Global Goals: 3, 12, 13, 15 The Glasgow Leaders Declaration on Forests and Land Use Global Biodiversity Framework

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AIF-HFSLM Objectives	APMS Focal Areas	ASEAN Haze-Free Roadmap Strategies	Other ASEAN Frameworks	Related ASEAN Sectoral Bodies	Global Frameworks
	<p>FA4 Peatland biodiversity and ecosystem conservation</p> <p>FA5 Fire prevention, control and monitoring</p> <p>FA7 Integrated peatland management</p>	<p>Strategy 3: Sustainable management of agricultural land and forests to prevent large scale forest and/or land fires</p> <p>Strategy 4: Sustainable management of peatlands for peatland fire prevention, in accordance with the new ASEAN Peatland Management Strategy (2023-2030)</p> <p>Strategy 7: Enhancing cross-sectoral and multi-level cooperation to protect the global environment</p> <p>Strategy 9: Evaluate and mitigate the impacts of haze on health, the economy, society and the environment</p>	<p>Work Plan for Forest Law Enforcement and Governance (FLEG) in ASEAN, 2016-2025</p> <p>ASEAN Working group on Biodiversity and Nature Conservation</p>	<p>ASEAN Working Group on Forest and Climate Change (AWGFCC)</p> <p>ASEAN Working Group on Forest Management (AWGFM)</p> <p>ASEAN Task Force on Peatlands (ATFP)</p>	<p>Nature based Solutions (NbS)</p>
4) To integrate fire and haze prevention into sustainable finance frameworks	<p>FA11 Regional cooperation</p> <p>FA12 Sustainable financing</p>	<p>Strategy 1: Enhance the implementation of the ASEAN Agreement on Transboundary Haze Pollution including the capabilities of the ASEAN Coordinating Centre for Transboundary Haze Pollution Control (ACC THPC)</p> <p>Strategy 7: Enhancing cross-sectoral and multi-level cooperation to protect the global environment</p>	<p>ASEAN Guidelines on Sustainable Agriculture (KP4)</p> <p>ASEAN Guidelines in Promoting Responsible Investment in Food, Agriculture and Forestry (FAF) (all G1-G10)</p> <p>ASEAN Taxonomy for Sustainable Finance</p>	<p>ASEAN Finance Ministers and Central Bank Governors</p> <p>ASEAN Taxonomy Board (ATB)</p>	<p>UNSDGs/ Global Goals: 3, 9, 13, 15</p> <p>Global ESG standards</p> <p>Global sustainable finance taxonomy Green Bonds Initiative</p>

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AIF-HFSLM Objectives	APMS Focal Areas	ASEAN Haze-Free Roadmap Strategies	Other ASEAN Frameworks	Related ASEAN Sectoral Bodies	Global Frameworks
		Strategy 9: Evaluate and mitigate the impacts of haze on health, the economy, society and the environment			
5) To enhance policy and governance and strengthen institutional capacity for HFSLM in ASEAN	FA6 Peatland and climate change FA8 National policies and legislation FA10 Information sharing, awareness and capacity building FA11 Regional cooperation	Strategy 1: Enhance the implementation of the ASEAN Agreement on Transboundary Haze Pollution including the capabilities of the ASEAN Coordinating Centre for Transboundary Haze Pollution Control (ACC THPC) Strategy 2: Developing and implementing sub-regional strategies Strategy 6: Strengthening relevant national policies, laws, regulations, and their implementation (including follow-up and review/enforcement) Strategy 8: Enhancing public awareness and stakeholder participation Strategy 9: Evaluate and mitigate the impacts of haze on health, the economy, society and the environment	ASEAN Guidelines on Sustainable Agriculture (KP5) ASEAN Guidelines in Promoting Responsible Investment in Food, Agriculture and Forestry (FAF) (G8, G9, G10) ASEAN Guidelines on Peatland Fire Management	COM/COP to ASEAN Agreement on Transboundary Haze Pollution ASEAN Ministers of Agriculture and Forestry (AMAF)	UNSDGs/ Global Goals: 8, 9, 12, 13, 17

5 Institutional and Implementation Arrangements

Alignment with ASEAN institutions. As a mechanism to support the implementation of the ASEAN Haze-Free Roadmap, APMS and other ASEAN priorities, the governance structure of the AIF-HFSLM should align with the institutional frameworks of ASEAN, in particular the AATHP to promote consistency and relevance in supporting its objectives while continuously seeking to engage and build understanding among AMS on its implementation.

Linkages to related ASEAN processes. In addition, given the broad and overlapping nature and potential synergies between sustainable or green finance and national and/or regional policies on agriculture, forestry and land management, transboundary haze and climate change, there is a need for further engagement to explore ways to better integrate or link the AIF-HFSLM with existing and planned frameworks in ASEAN. This should include climate change adaptation and mitigation, the ASEAN Haze-Free Roadmap, post-COVID recovery, strategies and plans for sustainable food, agriculture and forestry, as well as the Decarbonization Strategy for ASEAN and the ASEAN Taxonomy for Sustainable Financing.

5.1 Implementation Arrangements

a. Whole of ASEAN coordination mechanism

The AIF-HFSLM is very relevant to two different Pillars of ASEAN namely:

1. The ASEAN Socio-Cultural Pillar: This includes ASEAN programmes and mechanisms related to environment, biodiversity and climate change and is also the link point for the AATHP. The ASEAN Coordinating Centre for Transboundary Haze Pollution Control (ACC THPC) is in the final stages of establishment.

2. The ASEAN Economic Pillar: This includes ASEAN programmes related to agriculture, forestry, circular economy, decarbonization as well as sustainable financing and investment. Key ASEAN bodies include: ASEAN Ministers of Agriculture and Forestry, and the ASEAN Finance Ministers and Central Bank Governors.

Given the relevance of the AIF-HFSLM to two ASEAN pillars, it is important to have an effective coordination mechanism between work and projects/investment facilitated by the two pillars of ASEAN. Although the AIF-HFSLM has been developed primarily under the Socio-Cultural Pillar, consultations have been made with selected sectoral bodies and stakeholders related to the ASEAN Economic Pillar. It has been proposed that following the proposed endorsement of the AIF-HFSLM by the COM/COP of the AATHP that the ASEAN secretariat be mandated to facilitate formal engagement with appropriate cross pillar mechanisms in ASEAN to establish a mechanism for cross-pillar coordination of the AIF-HFSLM.

b. Role of ASEAN sectoral bodies

The development of the AIF-HFSLM has primarily been undertaken under the COM/COP of the AATHP and related mechanisms. In particular, it has been guided by the Task Force for the development of the new ASEAN Haze-Free Roadmap and the ASEAN Task Force on Peatlands. Based on discussions with AMS, it is expected that the main body overseeing and facilitating implementation of the AIF-HFSLM will continue to be the COM/COP of the AATHP but coordination mechanisms will also be established with other appropriate bodies under the ASEAN Ministers of Agriculture and Forestry (AMAF) and the ASEAN Finance Ministers and Central Bank Governors.

c. Role of ASEAN Secretariat

It is envisaged that the Environment Division of the ASEAN Secretariat, together with the ACC THPC will take a key role in facilitating implementation of the AIF-HFSLM. However, close coordination will take place with the Food, Agriculture and Forestry Division (FAFD), the Finance Integration Division and other appropriate divisions/sectoral bodies related to sustainable finance or investment of the ASEC, in particular in relation to the strategies and workplans related to sustainable agriculture, forestry and finance.

d. Coordination with ASEAN Dialogue and Development Partners/ donors

Since it is envisaged that some of the resources for implementation of the AIF-HFSLM especially for regional activities will come from ASEAN Dialogue or Sectoral Partners, there will be a need to link with the coordination mechanisms for the ASEAN Dialogue partners. It is also envisaged that some Dialogue Partners have already existing mechanisms on bilateral or trilateral partnerships/collaboration with some AMS, that would be also welcomed for further direct engagement.

e. Establishment of a “task force” to oversee and support the implementation of the AIF-HFSLM

Since haze-free sustainable land management is a cross-cutting matter that includes elements of both environmental protection and economic development and associated financing, it is proposed to form a specific task force comprising representatives of ASEAN Secretariat, AMS and other stakeholders from both the environment and economic sectors (according to the ASEAN Pillars) in order to provide a more holistic approach to tackle the land degradation and smoke haze issues within the region.

f. Establishment of a “development team” to facilitate further development and implementation of the AIF-HFSLM

Given the significant amount of work needed to further develop and monitor the AIF-HFSLM, a team of dedicated personnel will be needed with appropriate expertise in finance and investment planning and promotion, as well as haze-free sustainable land management approaches. This team would work to develop linkage and collaboration between the ASEAN Secretariat, ASEAN Member States and potential and actual funding sources. This team could operate on a virtual basis or be based in ASEAN Secretariat, one of the appropriate ASEAN bodies or hosted by an appropriate development assistance or financing agency. The development team should build on the work undertaken under the MAHFSA programme with the support of IFAD.

5.2 Sub-Regional Arrangements

There are significant differences between southern and northern ASEAN in terms of the root causes and nature of fires and transboundary haze – with southern ASEAN being dominated by peatland fires, and northern ASEAN dominated by fires for disposal of agricultural waste and land clearing. The main dry season and haze season in northern ASEAN is in December till March while in southern ASEAN, it is June till September. As a result, ASEAN has established distinct sub-regional arrangements to address fires and haze. This may also need to be reflected in the arrangements for the AIF-HFSLM.

a. Southern ASEAN

In southern ASEAN, a Technical Working Group (TWG) and a Ministerial Steering Committee (MSC) has been established to coordinate action on fire prevention and control in the sub-region that comprises Brunei Darussalam, Indonesia, Malaysia, Singapore and Thailand.

b. Northern ASEAN/Mekong Sub-region

In Northern ASEAN, the TWG for the Mekong sub-region (TWG Mekong) and MSC for the Mekong Sub-region (MSC Mekong) have been established to coordinate action on fire prevention and control in the sub-region that comprises Cambodia, Lao PDR, Myanmar, Thailand and Viet Nam. In 2023, a more focussed subgroup (Lao PDR, Myanmar and Thailand) have worked together to develop a collaborative agreement and a CLEAR Sky Strategy. These sub-regional mechanisms may be appropriate for facilitating the further development and coordination of the AIF-HFSLM. However, the groups do not currently fully engage agencies from the economic sectors. In addition, it may be appropriate to include the Philippines which is currently not included in the northern or southern ASEAN sub regions.

5.3 National Institutional/Implementation Arrangements

In order to facilitate enhanced investment and financing at the national level to promote HFSLM, it is important for each AMS to designate a national focal point for the AIF-HFSLM as well as establish an associated committee or working group. This should involve agencies responsible for economic sector (e.g. agriculture, forestry, plantations circular economy,

investment etc.) as well as the environment and health sectors. It should also develop more detailed strategies and plans for financing sustainable haze-free land management and prevention and control of forest, peatland and land fires.

5.4 Developing National Investment Plans/Frameworks

Each relevant AMS should develop a national investment plan for HFSLM to complement their existing/planned Haze Action Plan and National Action Plan on Peatlands and guide the national approach to generating finance and investment to prevent fires and haze. In some countries, this may link to national climate or land degradation action plans or national plans for sustainable development.

5.5 Engaging Multiple Sectors and Partners

In order to have effective development of investment and financing of HFSLM, it is important to engage multiple sectors and partners including from the government (environment and economic sectors), private sector (land management, commodities and finance and banking sectors) as well as civil society and philanthropic sectors.

Based on the strong positive feedback on the AIF-HFSLM from the private sector, CSOs, donors and other stakeholders, there is a significant interest to work with ASEAN on an immediate basis to develop a multi-stakeholder partnership, with the potential to evolve to a regional haze-free alliance/coalition, to promote haze-free, and sustainable land management in ASEAN. Such a partnership could mobilise significant existing in-kind and other resources to initiate short-term actions without waiting for the development, design and approval of new donor-funded projects (typically 2-3 years between concept and project initiation). This could fast-track action and give visibility to ASEAN work in the short-term including helping to mobilise resources for the implementation including support for the ASEAN Haze Fund and secure funds to expand and continue work under the MAHFSA and other ongoing initiatives.

6 Strategy for Financing and Resource Mobilisation

6.1 Potential Sources for Financing of HFSLM

A range of potential sources for financing HFSLM have been identified as follows:

a. Government funding sources

Government funding sources include funding through the regular government budget for land management, development and fire prevention and control measures. In addition, there may be special allocation or funds established by the government to support or encourage HFSLM. Adequate government financing for incentives for sustainable land management as well as for law enforcement are critical to prevent fires and haze.

b. Development cooperation partner sources

Significant funds have been made available by a broad range of development cooperation partners on a bilateral or multilateral basis to meet sustainable development targets including for sustainable agriculture. This is anticipated to increase to meet the SDGs/Global Goals as well as support targets related to climate change mitigation and adaptation, biodiversity conservation and halting land degradation.

c. Private land management sector sources

A significant proportion of the land in the ASEAN region is under the management of the private sector, through full ownership or concession or license agreements. These land managers are responsible to manage the land without the deliberate use of fire and to invest in fire prevention and control measures on their land. Investment from these private land managers is also critical to transform practices in surrounding community landscapes.

d. Commodity sector finance

The commodity sector facilitates trade in commodities such as oil palm, pulp and paper, rice, maize, and sugar – all of which have been linked to fires and haze in relation to land clearing or disposal of agricultural wastes. The commodity supply chains must play a critical role in enforcing good agriculture practice through certification schemes and well as industry-backed initiatives and incentives to ensure that all commodity production is based on haze-free sustainable agriculture and plantation practices and integrate with a circular economy model.

e. Finance sector investment sources

There is significant potential in the finance sector to provide resources to support haze-free sustainable land management through inclusion of specific requirements or conditions in loan and other finance agreements. In addition to commercial banks there is also a growing green bond market in ASEAN that can provide billions in financing for environmentally sustainable activities. Proactive investment in sustainable haze-free land management can lead to significant, positive economic, social and environmental impacts.

f. Environment-related finance

There is a growing amount of environmental-related finance available in the ASEAN region or globally – this includes finance from the Global Environment Facility (GEF) and Green Climate Fund (GCF); the newly established Global Biodiversity Framework Fund; as well as finance from investment and trading in low carbon economy or carbon credits. There are also growing number of specific funds or mechanisms to support land rehabilitation or ecosystem restoration that could be directed to address HFSLM.

g. Civil society and philanthropic sources

There are emerging funding sources from civil society and philanthropic sources such as the Bezos Earth Fund that can support HFSLM. Civil society and people's movements can also mobilise public support and action to support measures for haze-free sustainable land management.

h. Other

Other potential or innovative financing options include: blended financing, debt-for-nature swap; equity investment for circular economy options etc.

Diagram below gives preliminary information on the indicative scale of finance from different sources that could potentially be available to support new initiatives for HFSLM in the ASEAN region.



6.2 Strategy for Resource Mobilisation

The proposed strategy for resource mobilisation for the AIF-HFSLM comprises of:

- Mapping of potential financing options and modalities in ASEAN suitable for supporting haze-free sustainable land management;
- Further consultation with AMS and stakeholders from environment and economic sectors on matching priorities with opportunities for finance to facilitate HFSLM;
- Communication and engagement with ASEAN Dialogue and Sectoral Partners as well other bilateral, multilateral supporters and partners; and the establishment of funder/financier roundtable or platform to link potential funders with priority needs;
- Work with existing and new funds and mechanisms related to haze and land management to include options for financing HFSLM-related activities;
- Identification of support that can be provided from existing ongoing and pipeline projects or other existing finance mechanisms at regional, national or local levels;
- Development of specific initiatives or funding windows that could finance demand-led requests from AMS and other stakeholders;

- g. Development of detailed concept notes and proposals for priority projects for submission to identified sources;
- h. Establishment of pipeline or rolling programme system to track potential funding opportunities and projects.

6.3 Decentralised Financing Modality with Regional Coordination

It is proposed that the majority of financing be channelled in a multi-level, multi partner manner decentralised to sub regional, country and local level rather than funds being contributed to a centralised fund or mechanism at the ASEAN level. In line with current funding flows at least 90% of the required finance will be channelled at the national or lower levels and less than 10% for International, regional and sub-regional initiatives and mechanisms. It is also not proposed to centralise funding under one agency at the national level, but rather encourage multiple agencies and stakeholders to channel resources to support HFSLM in their respective areas of influence.

The AIF-HFSLM will mainly operate as a mechanism to match funding priorities with potential funding sources and to encourage cooperation across sectors and multiple agencies to generate increased level of finance for HFSLM. However, there is a need for an adequate allocation of resources at the ASEAN level – to facilitate the further development, promotion, monitoring and reporting on financing for HFSLM in the region as well as to support the AMS in developing their national mechanisms and capacity for HFSLM.

6.4 Link or Integrate Ongoing and Pipeline Projects into the AIF-HFSLM

Based on various discussions with AMS, development assistance agencies, CSOs and the private sector, it is apparent that there are a number of ongoing projects as well as projects at the concept and pipeline stage which could potentially be linked to or included within the AIF-HFSLM. To avoid re-inventing the wheel or duplicating existing pipelines, and potentially speeding-up the process of matching projects with funding, it is necessary, with the support of COM/COP and the ASEAN Secretariat, to contact targeted stakeholders to request for submission of

information on ongoing, and pipeline projects directly related to facilitating HFSLM which are in line with ASEAN priorities and have potential to link with the AIF-HFSLM. Aligned projects could then be formally linked and progress monitored and reported through ASEAN mechanisms. This would also help avoid the development of new projects duplicating existing or pipeline actions and help ensure new resources are allocated to fill priority gaps or scale-up successful initiatives.

6.5 Indicative Funding Priorities and Scale of New Resources Required

Based on consultations with AMS and other stakeholders as well as a review of information on fund requirements and availability, a preliminary analysis has been undertaken to generate indicative funding levels for the five identified objectives under the AIF-HFSLM over the period 2023-2030. The scale of funding is given in Table 3 below and elaborated further in **Appendix 3**.

Table 3. Indicative funding frame in line with AIF-HFSLM objectives for priority HFSLM projects

Objectives	Indicative Funding Frame for Priority HFSLM Projects 2023-2030 (USD)
1) To expand use of sustainable and haze-free practices in the agriculture and commodity sectors in ASEAN to prevent transboundary haze	850 million
2) To empower and support indigenous peoples and local communities (IPLCs) to transition to haze-free land management	300 million
3) To enhance sustainable forest and peatland management to prevent fires and haze	830 million
4) To integrate fire and haze prevention into sustainable finance frameworks	85 million
5) To enhance policy and governance and strengthen capacity and awareness for HFSLM in ASEAN	135 million
TOTAL	2,200 million

7 Monitoring and Evaluation

It is proposed to have multiple level monitoring and evaluation (M&E) for the AIF-HFSLM based on projects and/or programmes agreement with respective funders or partners. While each project in the portfolio will have its own internal M&E should be undertaken at regular basis range from quarterly to semi-annually by the respective project implementers, there can be an overall M&E for the portfolio based on overall ASEAN targets to ensure technical progress, regional balance and to identify gaps to be filled.

A set of SMART indicators and targets needs to be developed as part of the implementation plan to enable the effective tracking of progress in implementing the plan. These indicators should focus on macro issues, related to institutional arrangements and capacity to implement the AIF-HFSLM; partnerships developed and resources secured to support AIF-HFSLM implementation; progress in building partnerships and alliances with donors, private sector and other stakeholders as well as other indicators linked to the implementation of associated plans such as the ASEAN Haze-Free Roadmap, APMS, etc.

7.1 Monitoring and Evaluation Objectives

For the M&E processes for specific project/programmes, there would be already guidelines prepared by the donors for compliance and adoption for implementation.

7.2 Data Collection and Processing Arrangements

Baseline information should be collated and prepared at the beginning of the strategy/project implementation.

7.3 Reporting

Progress of the implementation of the project/programme will need to be compiled for the government to incorporate into official reporting for ASEAN Haze-Free Roadmap and APMS. This AIF-HFSLM implementation shall be included as a separate agenda item that the AMS to highlight its achievement thus far at relevant ASEAN meeting(s).

7.4 Mid-Term Review

It is proposed that a mid-term review of the AIF-HFSLM is undertaken in 2027 to review progress and recommend enhancement or extension as appropriate.

8 Initial Steps for Further Development and Implementation

The following key steps have been agreed for further development and implementation of the AIF-HFSLM after its endorsement by COM/COP AATHP.

- i. Further development of the institutional and cross-sector/cross-pillar/thematic arrangements of the AIF-HFSLM (guided by the COM and ASEAN Secretariat);
- ii. Establishment of a “task force” comprising representatives of ASEC, AMS and (as appropriate) other stakeholders from environment and economic sectors to oversee and support the establishment and implementation of the AIF-HFSLM;
- iii. Formation of an “AIF-HFSLM development team”, building on the MAHFSA project team, drawn from partner agencies and projects to facilitate the further elaboration of the AIF-HFSLM and related projects and support the matching of project ideas with potential funders;
- iv. Undertaking formal consultations and roundtable meeting(s) with potential financing and implementation partners to match needs with potential partners and to further develop a portfolio of projects;
- v. Securing of additional short-term resources in cash and kind from bilateral or multilateral partners to fast-track the development of the AIF-HFSLM;
- vi. Development of a detailed AIF-HFSLM Implementation Plan to include further details on institutional arrangements to include information on institutional arrangements; target audience; resource mobilization mechanism; financing and investment pathways; targets, indicators and timelines; and partner/donor coordination mechanisms;

- vii. Initiation of the process for national investment frameworks with targeted AMS as appropriate;
- viii. Further explore linkages and engagement with the private sector and support for the set-up of an Alliance for Haze-Free ASEAN to bring together corporate, civil society and other partners to help achieve the AIF-HFSLM and the Roadmap; and
- ix. Preparation of regular report(s) on progress with the development and implementation of the AIF-HFSLM.

Appendix 1

Selected Key ASEAN Initiatives and Mechanisms

Related to the AIF-HFSLM

ASEAN Agreement on Transboundary Haze Pollution (AATHP)

The Governments of the ten AMS signed the AATHP on 10 June 2002 in Kuala Lumpur, Malaysia. The AATHP is the first regional arrangement in the world that binds a group of contiguous states to tackle transboundary haze pollution resulting from land and forest fires. It has also been considered as a global role model for the tackling of transboundary issues.

The AATHP requires the Parties to the Agreement to¹⁹:

1. *Co-operate in developing and implementing measures to prevent and monitor transboundary haze pollution as a result of land and/or forest fires which should be mitigated, and to control sources of fires, including by the identification of fires, development of monitoring, assessment and early warning systems, exchange of information and technology, and the provision of mutual assistance.*
2. *When the transboundary haze pollution originates from within their territories, respond promptly to a request for relevant information or consultations sought by a State or States that are or may be affected by such transboundary haze pollution, with a view to minimising the consequences of the transboundary haze pollution.*
3. *Take legislative, administrative and/or other measures to implement their obligations under this Agreement.*

The AATHP entered into force on 25 November 2003. All AMS have ratified and become Parties to the AATHP.

¹⁹ Article 4 of ASEAN Agreement on Transboundary Haze Pollution (<https://asean.org/wp-content/uploads/2021/01/ASEANAgreementonTransboundaryHazePollution-1.pdf>)

The AATHP contains measures on:

- Monitoring and assessment;
- Prevention;
- Preparedness;
- National and joint emergency response;
- Procedures for deployment of people, materials and equipment across borders; and
- Technical cooperation and scientific research.

Among the institutional provisions of the AATHP is the convening of the Conference of Parties (COP) and the establishment of a secretariat (performed by the ASEAN Secretariat) to support the servicing of the COP and other relevant activities in connection with the implementation of the agreement. The AATHP gives a mandate and provides a framework to establish the ASEAN Coordinating Centre on Transboundary Haze Pollution Control (ACC THPC) that is currently being established as an independent body hosted by Indonesia, to facilitate cooperation and coordination among parties in managing the impact of land and/or forest fires in particular haze pollution arising from such fires. Under the provisions of the AATHP, an ASEAN Transboundary Haze Pollution Control Fund was established with an initial target amount of USD 500,000 voluntary contributions from member countries²⁰. The fund is also open to contributions from other sources subject to approval by the member countries.

20 Suchindah, A. 2015. *Transboundary Haze Pollution Problem in Southeast Asia: Reframing ASEAN's Response*. ERIA Discussion Paper Series. ERIA-DP-2015-82. <https://www.eria.org/ERIA-DP-2015-82.pdf>

ASEAN Peatland Management Strategy (APMS)

The Strategy and Action Plan for Sustainable Management of Peatlands in ASEAN Member States known as APMS was developed by the AMS to guide actions to support management of peatlands in the region. The APMS was prepared due to pressing need recognised by both local and international communities for wise use and sustainable management of peatlands as well as emerging threat of peatland fire and its associated haze to the economy and health of the region, and its possibility of contributing to global climate change. The APMS was developed within the framework of the ASEAN Peatland Management Initiative (APMI) and the AATHP with the technical support of the Global Environment Centre. APMS was endorsed by the 12th ASEAN Ministerial Meeting on Environment (AMME) in November 2006.

The goal of APMS is to promote sustainable management of peatlands in the ASEAN region through collective actions and enhanced cooperation to support and sustain local livelihoods, reduce the risk of fire and the associated haze, and contribute to global environmental management.

APMS is complemented by National Action Plans (NAPs) prepared (so far) by those AMS with significant peatlands. AMS need to enhance implementation capacity, including availability of budgetary resources, with monitoring, and evaluation of respective NAPs to ensure relevance. The first phase of APMS implementation was in the period of 2006-2020.

Following a positive review, which was adopted by the AMS in 2021, the APMS 2023-2030 was developed in 2022-2023 and adopted by the 18th Meeting of the Conference of Parties to the ASEAN Agreement on Transboundary Haze Pollution (COP-18) on 23 August 2023 in Vientiane, Lao PDR.

The APMS 2023-2023 outlines twelve (12) focal areas, the first seven (7) of which are defined as key focal areas while the remaining five (5) are supportive focal areas as shown in Table a.

Table a. Focal Areas and their respective Goals for APMS 2023-2030

No	Focal Area	Goal
1	Inventory, mapping and assessment	All peatlands are mapped according to their characteristics and hydrological regimen.
2	Restoration and rehabilitation	30% of degraded peatlands in ASEAN have been or are under rehabilitation by 2030 as agreed under the Global Biodiversity Framework.
3	Community livelihoods	Sustainable management of peatlands has significantly progressed across sectors, improving livelihoods for and empowerment of local communities.
4	Peatland biodiversity and ecosystem conservation	Peatland biodiversity is preserved in-situ and ex-situ with 30% of peatlands in ASEAN included in protected areas and OECMs by 2030 in agreement with the Global Biodiversity Framework.
5	Fire prevention, control and monitoring	Transboundary Haze from peatland fires is eliminated.
6	Peatland and climate change	Peatlands protected and rehabilitated to enhance resilience to climate change and reduce emissions towards a target of net-zero emissions by 2050.
7	Integrated peatland management	To ensure integrated multi-stakeholder management of peatlands at a PHU level with the involvement of private sector, agriculture, plantation, forestry and environment sectors.
8	National policies and legislation	AMS have adequate regulations, policies and plans to ensure peatlands are managed sustainably at the national level.
9	Research	Research in ASEAN is enhanced to support peatland biodiversity conservation, rehabilitation, and sustainable management.
10	Information sharing, awareness & capacity building	Awareness/Capacity on par with management needs and requirements
11	Regional cooperation	AMS working together to share best practices and collaborate to enhance sustainable peatland management throughout ASEAN.
12	Sustainable financing	Sustainable financing of peatland protection and management is ensured.

ASEAN Haze-Free Roadmap

Transboundary haze pollution has been a recurring challenge in ASEAN region and poses significant social, economic, and environmental impacts on ASEAN's sustainable development. To address these impacts and challenges, AMS launched several regional initiatives to promote regional collaboration. Central to these efforts was the adoption of the AATHP to prevent and monitor transboundary haze pollution. To further operationalise the implementation of AATHP, the 11th Meeting of the Conference of the Parties to the AATHP held in October 2015 in Hanoi, Viet Nam agreed to develop a Roadmap on ASEAN Cooperation towards Transboundary Haze Pollution Control with Means of Implementation (ASEAN Haze-Free Roadmap) 2016-2020.

The ASEAN Haze-Free Roadmap 2016-2020 serves as a strategic framework for the implementation of collaborative actions to control transboundary haze pollution in the region. It was developed by a task force consisting of senior officials and experts from AMS who are responsible for the fire management and transboundary haze pollution issues in the respective country for implementation from 2016 till 2020.

The Second Roadmap for ASEAN Cooperation on Transboundary Haze Pollution Control with Means of Implementation (ASEAN Haze-Free Roadmap) covers the timeframe until 2030 was developed in 2022-2023 and was adopted by the AATHP COP-18 in August 2023. It was built on relevant earlier experiences as well as adopts multi-disciplinary and science-based approaches for a deeper and more meaningful understanding on the causes and consequences of haze, the diversity of policy instruments, the multiplicity of levels and stakeholders, and the unique needs of subregions.

The ASEAN Haze-Free Roadmap 2023-2030 consists of nine mutually reinforcing strategies. Operationalizing each strategy involves taking actions which collectively enhance implementation of the AATHP.

The strategies are:

Strategy 1: Enhance the implementation of the ASEAN Agreement on Transboundary Haze Pollution (AATHP), including the capabilities of the ASEAN Coordinating Centre for Transboundary Haze Pollution Control (ACC THPC)

Strategy 2: Developing and implementing subregional strategies

Strategy 3: Sustainable management of agricultural land and forests to prevent large scale forest and/or land fires

Strategy 4: Sustainable management of peatlands for peatlands fire prevention, in accordance with the ASEAN Peatland Management Strategy (2023-2030)

Strategy 5: Securing adequate resources from multi-stakeholders for transboundary haze preventionStrategy

Strategy 6: Strengthening relevant national policies, laws, regulations, and their implementation (including follow-up and review/enforcement)

Strategy 7: Enhancing cross-sectoral and multi-level cooperation to protect the global environment

Strategy 8: Enhancing public awareness and stakeholder participation

Strategy 9: Evaluate and mitigate the Impacts of haze on health, economy, society, and the environment

Other Relevant ASEAN Frameworks and Mechanisms

- i. ASEAN Guidelines on Sustainable Agriculture
- ii. Guidelines for the Implementation of the ASEAN Policy on Zero Burning
- iii. ASEAN Guidelines for the Implementation of Controlled Burning Practices
- iv. ASEAN Guidelines in Promoting Responsible Investment in FAF
- v. ASEAN Criteria and Indicator for Sustainable Management of Tropical Forest
- vi. Work Plan for FLEG Implementation in ASEAN 2016-2025

Appendix 2

Key to Policies and Strategies Referred to in Table 2

UNSDGs/Global Goals

SDG/Goal 1	: No poverty
SDG/Goal 2	: Zero hunger
SDG/Goal 3	: Good health and well-being
SDG/Goal 4	: Quality education
SDG/Goal 5	: Gender equality
SDG/Goal 6	: Clean water and sanitation
SDG/Goal 7	: Affordable and clean energy
SDG/Goal 8	: Decent work and economic growth
SDG/Goal 9	: Industry, innovation and infrastructure
SDG/Goal 10	: Reduced inequalities
SDG/Goal 11	: Sustainable cities and communities
SDG/Goal 12	: Responsible consumption and production
SDG/Goal 13	: Climate action
SDG/Goal 14	: Life below water
SDG/Goal 15	: Life on land
SDG/Goal 16	: Peace, justice and strong institutions
SDG/Goal 17	: Partnerships for the Goals

ASEAN Guidelines for Responsible Investment in Food, Agriculture and Forestry (2018)

- Guideline 1 : Contribute to food security, food safety and better nutrition
- Guideline 2 : Contribute to equitable, sustainable and inclusive

economic development and the eradication of poverty

- Guideline 3 : Foster equality, engagement, and empowerment for women, young people, indigenous peoples and other marginalised groups
- Guideline 4 : Respect tenure of land, fisheries, and forests, and access to water
- Guideline 5 : Conserve and sustainably manage natural resources, in particular ASEAN's forests
- Guideline 6 : Support the generation and diffusion of sustainable and appropriate technologies and practices for resource efficient, productive and safe Food, Agriculture and Forestry systems
- Guideline 7 : Increase resilience to, and contribute to the mitigation of and adaptation to climate change, natural disasters, and other shocks
- Guideline 8 : Respect the rule of law and incorporate inclusive and transparent governance structures, processes and grievance mechanisms
- Guideline 9 : Assess and address impacts and promote accountability
- Guideline 10 : Strengthen regional approaches to responsible investment in Food, Agriculture and Forestry in ASEAN

ASEAN Regional Guidelines for Sustainable Agriculture in ASEAN (adopted in October 2022)

Five key principles:

- P1: Improving efficiency in the use of our resources
- P2: Conserving, protecting, enhancing natural ecosystems, promoting and enhancing nature resources and communities
- P3: Protecting and improving rural livelihoods and social well-being
- P4: Enhancing the resilience of people, communities and ecosystems
- P5: Promoting good governance of both natural and human systems

28 Key Strategies:

- S1 : Improving overall soil health: Reducing overfertilisation of the soil base, applying of targeted organic fertilizers and amendments, and reducing the over application of agrochemicals to meet optimum soil productivity
- S2 : Reducing greenhouse gases from agriculture-related activities
- S3 : Closing nutrient cycles/loops and Valorisation of agricultural waste biomass and food waste foods into cost-effective feeds and fertilisers
- S4 : Collaborations along the agriculture and food chains
- S5 : Improving biodiversity
- S6 : Ensuring Food Security
- S7 : Promoting the use of smart and precision agriculture systems in sustainable food production
- S8 : Facilitating funding with productive resources finance and services
- S9 : Connecting smallholders to markets
- S10 : Encouraging diversification of production and income
- S11: Building farmers and food production personnel knowledge base and developing their capacity
- S12 : Encouraging more research and development on sustainable and circular agriculture and food production
- S13 : Promoting the set-up of new sustainable and circular initiatives
- S14 : Aligning ASEAN agricultural standards with those of our major export markets
- S15 : Strategizing to replace Highly Hazardous Pesticides (HHPs), broad spectrum pesticides and neonicotinoids in ASEAN agriculture
- S16 : Encouraging private sector research participation in new, modern, smart technologies in sustainable food production
- S17 : Developing/setting aside the necessary funding for the research and development of practical sustainable and circular agricultural technologies

- S18 : Reducing the reliance on the use of agrochemicals in agriculture, balancing the use of organic and chemical fertilisers
- S19 : Encouraging the development of sustainable, environmentally-friendly farming input alternatives within ASEAN
- S20 : Encouraging the participation and training of targeted marginalised communities to be involved in sustainable agriculture systems
- S21 : Improving the participation of women and youth in sustainable smart systems
- S22 : Adopting policies and strategies to reduce the development of antimicrobial resistance within ASEAN
- S23 : Reducing the environmental impact of agricultural and food production
- S24 : Improving the health and well-being of the farming community in ASEAN
- S25 : Supporting and setting up the support policies, rules and regulations necessary for the development of the entire sustainable and circular industry
- S26 : Discouraging and disallowing any further clearing of primary jungles, mangrove areas, peat lands, and other areas deemed environmentally valuable
- S27 : Developing and encouraging various sustainable urban agriculture initiatives to provide food within urban areas
- S28 : Developing new sustainable and circular agriculture legislative frameworks

ASEAN Criteria and Indicators for Sustainable Management of Tropical Forests (2017)

- Criterion 1 : Enabling Conditions for Sustainable Forest Management (Indicators 1.1 – 1.12)
- Criterion 2 : Extent and Condition of Forests (Indicators 2.1 – 2.9)
- Criterion 3 : Forest Ecosystem Health and Resilience (Indicators 3.1 – 3.5)

- Criterion 4 : Forest Production (Indicators 4.1 – 4.13)
- Criterion 5 : Forest Biological Diversity (Indicators 5.1 – 5.7)
- Criterion 6 : Soil and Water Protection (Indicators 6.1 – 6.6)
- Criterion 7 : Economic, Social and Cultural Aspects (Indicators 7.1 – 7.15)

Work Plan for Forest Law Enforcement and Governance (FLEG) in ASEAN, 2016-2025, comprises 4 Strategic Thrusts, 6 Action Programmes and 35 Activities

- Strategic Thrust 1 – Enhancing Sustainable Forest Management;
 - Action Programme 1.1 Strengthened Forest Law Enforcement and Governance (FLEG)
- Strategic Thrust 2 – Enhancing Trade Facilitation, Economic Integration and Market Access;
 - Action Programme 2.1 Facilitation of Legal and Sustainable Forest Products Trade
- Strategic Thrust 3 – Strengthening ASEAN's Joint Approaches on Regional and International Issues Affecting the Forestry Sector;
 - Action Programme 3.1 Strengthened ASEAN Coordinated Actions on FLEG at Regional and International Fora; and
 - Action Programme 3.2 Enhancement of ASEAN Joint Approaches in Addressing FLEG Issue
- Strategic Thrust 4 – Institutional Strengthening and Human Resources Development;
 - Action Programme 4.1 Promotion and Implementation of Training Programmes on FLEG; and
 - Action Programme 4.2 Enhancement of Sharing Experiences and Lessons Learned on FLEG implementation

Appendix 3

Indicative Initial New Project and Investment Needs for HFSLM in ASEAN

Indicative new project/investment ideas, scale and potential funding sources

AIF-HFSLM Objectives	Indicative Project Ideas/Activities Needing Funding (based on inputs from AIF-HFSLM consultation workshops, national reports and plans, reviews and other inputs)	Indicative Scale of Funding 2023-2030 (USD)	Potential Funding Sources
1) To improve adoption of sustainable and haze-free practices in the agriculture and commodity sectors in ASEAN to prevent transboundary haze	<ul style="list-style-type: none"> • Zero-burning circular economy booster fund • Rice straw paper and compostable food packaging development • Sustainable biochar production from maize waste • Syngas and biochar production from rice straw • Local level bioenergy plants using agricultural waste • Implementing Feed-in tariff for electricity generated from biomass and agricultural residuals 	400 million	<ul style="list-style-type: none"> • Green Bonds • ADB, World Bank • Carbon finance • Commercial banks • Bilateral development assistance agencies • Power generation sector • Commodity sectors (animal feed, sugar, rice)
	<ul style="list-style-type: none"> • Establishing fire-free commodity sectors for rice, maize and sugarcane in Mekong region • Farmer incentive schemes for zero-burning agriculture • Market development for haze-free agriculture products • Regulatory and policy reform for fire-free land management in Mekong sub-region. 	200 million	<ul style="list-style-type: none"> • Green Bonds • Commodity supply chain companies (oil palm, pulp and paper, animal feed, sugar, rice) • ADB, World Bank • Government financing
	<ul style="list-style-type: none"> • Development, pilot testing and expansion of paludiculture crops in rewetted peatlands • Sustainable agroforestry in peatland and fire prone landscapes 	150 million	<ul style="list-style-type: none"> • ADB, World Bank, IFAD • Agriculture and commodity sector • Development banks • Green bonds
	<ul style="list-style-type: none"> • Enhance water management and fire prevention in smallholder oil palm • Enhancement of implementation of NDPE policies in the palm oil sector 	100 million	<ul style="list-style-type: none"> • Oil palm supply chain • Agriculture development finance • Commercial banks

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AIF-HFSLM Objectives	Indicative Project Ideas/Activities Needing Funding (based on inputs from AIF-HFSLM consultation workshops, national reports and plans, reviews and other inputs)	Indicative Scale of Funding 2023-2030 (USD)	Potential Funding Sources
2) To empower and support indigenous peoples and local communities (IPLCs) to transition to haze-free land management	<ul style="list-style-type: none"> • Support for community empowerment and sustainable land management in fire prone regions • Community-based Forest protection and rehabilitation in fire prone regions • Community-based peatland restoration and management • Expansion of fire-free village alliance • Village land reform 	150 million	<ul style="list-style-type: none"> • IFAD, FAO, UNDP • Commodity sectors (oil palm, pulp and paper, animal feed, sugar, rice) • Governments • Development assistance agencies
	<ul style="list-style-type: none"> • Sustainable agriculture support • Village-scale biomass utilisation for animal feed, fibre and energy • Agroforestry and mixed crop production promotion • Organic agriculture development in fire-prone regions • Enhancing zero-burning practices in communities through carbon finance 	150 million	<ul style="list-style-type: none"> • IFAD, FAO, UNDP • Governments • Development assistance agencies • World Bank, ADB • Carbon finance • Commodity sectors (oil palm, pulp and paper, animal feed, sugar, rice)
3) To enhance sustainable forest and peatland management to prevent fires and haze	<ul style="list-style-type: none"> • Conservation and rehabilitation of fire-prone peatland landscapes in Malaysia • Conservation and rehabilitation of fire prone peatland landscapes in Indonesia 	350 million	<ul style="list-style-type: none"> • Carbon Finance • GCF, GEF • Government finance • CSR finance • Commodity sectors (oil palm, pulp and paper)
	<ul style="list-style-type: none"> • Fund for Sustainable management of peatland ecosystems in ASEAN 	100 million	<ul style="list-style-type: none"> • GCF, GEF, • GBF fund • Bilateral development assistance • Climate finance • CSR funds
	<ul style="list-style-type: none"> • Implementation of masterplan for management of fire-prone peatlands in Malaysia 2023-2030 	100 million	<ul style="list-style-type: none"> • Government, • GCF, GEF, • Commodity sector • Climate finance
	<ul style="list-style-type: none"> • Fire prevention and control in forest landscapes in Northern ASEAN 	100 million	<ul style="list-style-type: none"> • Carbon Finance • GCF, GEF • Forest investment funds
	<ul style="list-style-type: none"> • Establishment of multiple-use Melaleuca plantations in fire prone regions (timber, charcoal, honey and essential oils) • Development of agroforestry crops in fire prone regions 	180 million	<ul style="list-style-type: none"> • Green bonds • Forest investment funds • Multilateral development assistance • Government finance

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AIF-HFSLM Objectives	Indicative Project Ideas/Activities Needing Funding (based on inputs from AIF-HFSLM consultation workshops, national reports and plans, reviews and other inputs)	Indicative Scale of Funding 2023-2030 (USD)	Potential Funding Sources
4) To integrate fire and haze prevention into sustainable finance frameworks	<ul style="list-style-type: none"> Finalise and implement the forestry and agriculture procedures under the ASEAN Taxonomy for Sustainable Finance at regional and national levels Incorporate haze-free sustainable land management into national development plans and budgets in each AMS Enhance ESIA and other regulations for screening projects and investments in land management to reduce fire risk 	35 million	<ul style="list-style-type: none"> Governments ASEAN Taxonomy Board Bilateral and Multilateral development assistance
	<ul style="list-style-type: none"> Develop green bonds to finance haze-free sustainable land management Set up climate finance mechanism to finance fire prevention and sustainable land management Establish incentives scheme for fire-free commodity production Enhance capacity and access to finance for HFSLM by Indigenous and local communities and other vulnerable groups 	50 million	<ul style="list-style-type: none"> Ministries of economy and finance ADB, World Bank Development assistance agencies Commodity sectors GCF
5) To enhance policy and governance and strengthen capacity and awareness for HFSLM in ASEAN	<ul style="list-style-type: none"> Establishment and operation of ASEAN Coordinating Centre for Transboundary Haze Pollution Control Development of National Action Plans for Peatlands; National Haze-free Roadmaps and national investment frameworks for haze free sustainable land management Capacity enhancement for National Monitoring Centres and National Focal Points for peatland and haze management National policy and regulation enhancement for fire prevention and control Improving systems for land ownership and tenure tracking in fire prone regions 	50 million	<ul style="list-style-type: none"> AMS Bilateral and Multilateral development assistance ASEAN governments GEF, GCF
	<ul style="list-style-type: none"> Strengthening Fire and haze warning and monitoring systems Building local government capacity for fire prevention and control Build capacity in Private sector and local community for fire prevention and control Enhancing fire preparedness and response capacity in fire prone regions 	85 million	<ul style="list-style-type: none"> AMS Bilateral and Multilateral development assistance ASEAN governments GEF, GCF
TOTAL		2,200 million	



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