

Report of Ex-post Evaluation

Project PD 39/00 Rev. 3 (F)

Sustainable Collaborative Forest Management: Meeting the Challenges of
Decentralization in the Bulungan Model Forest
(Indonesia)

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TABLE OF CONTENTS

PART 1: EXECUTIVE SUMMARY

1. Background information about the project	3
2. Evaluation Purpose	5
3. Scope of the Evaluation	6
4. Conclusions of the Evaluation	8
5. Recommendations	12

PART II

1. Project Context	14
1.1: Project Objectives	14
1.2: Project Strategy	14
1.3: Expected Outputs	15
1.4: Target Beneficiaries Involvement	15
1.5: Project Inputs	15
1.6: The ITTO/ITTA Context	16
2. Evaluation Scope and Focus	17
3. Evaluation Methodology	18
4. Findings and Lessons Learned	18
4.1: Efficiency	18
4.2: Effectiveness	19
4.3: Effectiveness by Outputs	20
4.3.1: Details of Outputs Achieved by the Project	20
4.3.1: Project's Developmental Objective	22
4.4: Dissemination of Results	22
4.5: Project Sustainability	22
4.6: Impact and Effects	22
5: Lessons Learned	24
6: Recommendations	25
7: Conclusions	26
References	27
Appendices	29

PART II: EXECUTIVE SUMMARY

1. Background Information about the project

The project was part of the Indonesian Government's aim of creating an operational model forest to demonstrate how the many interests of groups concerned with forests, including forest-dependent communities, can be integrated in a manner that achieves sustainable forest management through linkages between large-scale land use planning at the district, provincial and national levels with sustainable local-level management at the village level.

Since 1998, Indonesia has been implementing major political and social reforms under its "Reformasi" (Reform in Indonesian) policy. A significant aspect of Reformasi was decentralisation and devolution of some aspects of management and decision-making responsibilities to the district and provincial levels. The project was necessary to assist Indonesia to learn and adapt to changes in the management of the national forest estate at a time of decentralization, and to assist in curbing illegal timber harvesting.

The project was approved and funded by the International Tropical Timber Council (ITTC) at its Thirty-second Session in May 2002, held in Bali, Indonesia. The agreement regulating the project implementation was signed in August 2002 and the first disbursement of funds was made on 27 January 2003. The project started in February 2003 and the duration was 36 months. However, it was not completed until December 2006 (i.e. 10 months after the initial completion date of February 2006).

The specific objectives were to:

- i) improve District (Kabupaten) coordination of forest management in the model forest through improved stakeholder participation, conflict management, development of land use plans and monitoring; and
- ii) implement sustainable forest management (SFM) in the PT Inhutani II's Malinau concession through enhanced harvesting practices, stakeholder coordination, preparation of management plans and monitoring.

The overall strategy adopted in implementing the project involved:

- FORDA and CIFOR working together at the District level to provide information, tools and mechanisms to enable stakeholders to have a shared vision for improved decisions on sustainable land allocation and use;
- at the local level, working closely with the peoples living in the many villages within the Malinau watershed to implement a district land use plan in conjunction based on a more detailed understanding of the local stakeholders and bio-physical context;
- implementing improved timber harvesting practices such as RIL, to improve the capacity of the forest managers, communities and local government through training;
- FORDA and CIFOR coordinating training with the assistance of other institutions such as the Tropical Forest Foundation (TFF) and local university;
- at both the district and local levels, improving the understanding of what people value, as well as to manage competition, improve institutions and encourage the adoption of improved practices; and
- CIFOR employing a field manager to oversee the operational implementation of SFM practices and a Project Coordinator to whom all staff and consultants were accountable.

The expected outputs were:

- Output 1.1: Assessment of stakeholder values and livelihood options in the model forest as inputs to the district land use plan.
- Output 1.2: Recommendations to the district officials, forest managers, and community leaders about approaches for improving stakeholder participation and conflict resolution in land use decisions.

- Output 1.3: An integrated spatial land use plan by district authorities for the model forest area.
- Output 2.1: Forest managers, both concessionaires and communities trained in RIL and associated practices.
- Output 2.2: Integrated sustainable forest management plans encompassing the social, technical and environmental issues and implementation of improved harvesting practices based on watershed unit area.
- Output 2.3: Identification of constraints to the adoption of practices that promote sustainable forest management.

The project inputs and sources were as follows

ITEM	AMOUNT\$USD
Total ITTO Budget	892,559.00
Government of Switzerland	450,000.00
Government of Japan (BPF-A)	362,599.00
Government of USA	80,000.00
Government of Indonesia (FORDA scientists time of USD18, 000 and land rent for project implementation (USD399, 000)	417,000.00
CIFOR, IRD, DFID	1,036,764.00
Total Budget	2,346,323.00

Additional funds from DFID and the IRD as well as significant additional in-kind contributions totaling \$USD190, 087.00 were received from the project partners as follows:

- FORDA in the form of scientists' time (USD71,278);
- Contribution from the District Government in Malinau in the form of GIS equipment (USD104, 303);
- Inhutani II in the form of road maintenance (USD5,000)
- Tropenbos International Indonesia Program in the form of joint training and workshop (USD4, 500)
- IUCN-Netherlands in the form of joint activity (USD3,000)
- IUCN in the form of joint workshop in Balikpapan (USD1,000)
- Agency for National Development Plan (USD500)

The Center for International Forestry Research (CIFOR) and the Forestry Research and Development Agency (FORAD), Ministry of Forestry implemented the project.

The project's Development Objective of achieving "long-term forest management for multiple uses, integrating social, economic, environmental and silvicultural aspects" was fully consistent with the objectives of the ITTA 1994. Similarly, the Project's Specific Objectives of improving (1) District (Kabupaten) coordination of forest management in the model forest through improved stakeholder participation, conflict management, development of land use plans and monitoring; and (2) implementing sustainable forest management (SFM) in the PT Inhutani II Malinau concession through enhanced harvesting practices, stakeholder coordination, preparation of management plans and monitoring were also fully consistent with the objectives of the ITTA 1994.

Specifically, the Project's Development Objectives and Specific Objectives related to the following ITTA 1994 objectives:

- (a) To provide an effective framework for consultation, international cooperation and policy development among all members with regard to all relevant aspects of the world timber economy.

- (b) To provide a forum for consultation to promote non-discriminatory timber trade practices.
- (c) To contribute to the process of sustainable development.
- (d) To enhance the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000.
- (e) To promote the expansion and diversification of international trade in tropical timber from sustainable sources by improving the structural conditions in international markets, by taking into account, on the one hand, a long-term increase in consumption and continuity of supplies, and, on the other, prices which reflect the costs of sustainable forest management and which are remunerative and equitable for members, and the improvement of market access.
- (f) To promote and support research and development with a view to improving forest management and efficiency of wood utilization as well as increasing the capacity to conserve and enhance other forest values in timber producing tropical forests.
- (j) To encourage members to support and develop industrial tropical timber reforestation and forest management activities as well as rehabilitation of degraded forest land, with due regard for the interests of local communities dependent on forest resources.
- (l) To encourage members to develop national policies aimed at sustainable utilization and conservation of timber producing forests and their genetic resources and at maintaining the ecological balance in the regions concerned, in the context of tropical timber trade.

In terms of ITTO's structure, the project was related to ITTO's Committee on Reforestation and Forest Management whose roles and responsibilities are concerned primarily with the sustainable management of the natural forest resource base for tropical timber.

The Project's objectives also met the objectives of the ITTO's Yokohama Action Plan, 2002 to 2006. The Goals of the Reforestation and Forest Management Committee in this Action Plan were to:

- support activities to secure the tropical timber resource base; and
- promote sustainable management of tropical forest resources.

Specific actions in the Action Plan which were also relevant to the project are:

- promoting the conservation, rehabilitation and sustainable management of threatened forest ecosystems, *inter alia* mangroves in collaboration with relevant organizations;
- assessing the current and potential productivity of major tropical forest types, taking into account the need to promote future growth and effective regeneration;
- improving the productive capacity of natural forests, where appropriate, through intensified silvicultural practices, better utilization of lesser-used species, the promotion of non-timber forest products, guided natural regeneration, enrichment planting and reforestation; and
- implementing research and development activities in the management of secondary tropical forests, restoration of degraded tropical forests and rehabilitation of degraded forest land, taking into consideration ITTO guidelines.

2: Evaluation Purpose

The ITTO commissioned the ex-post evaluation to provide a concise diagnosis of the Project, so as to point out the successful and unsuccessful outcomes, the reasons for successes and failures, and the Project's contribution towards ITTO's Objective 2000 and the ITTO Yokohama Action Plan, and to draw lessons that can be used to improve similar projects in the future.

The Evaluation Team comprising Mr. Jean-Marie Samyn from Switzerland and Dr Kwame Asumadu from Australia visited Indonesia from 8th to 17th August 2009. The actual duration of the evaluation was five days.

3: Scope of the Evaluation

The evaluation methodology involved:

- a review of the:
 - Project document;
 - Project progress reports;
 - technical reports and guidelines;
 - Minutes of the Project Steering and Technical committees;
 - the Project Completion Report; and
 - the Project Final Report
- interviews and discussions with the project implementation team;
- interviews and discussions with relevant officials and staff at both the District office in Malinau;
- interviews and discussions with relevant individuals in the villages of Long Loreh and Setulang; and
- field visits to the project site in Malinau, including the villages of Long Loreh and Setulang.

The following operational changes were made to the original project proposal:

- the realisation that the original project area, the Bulungan Research Forest, did not have active concessionaires who could collaborate in the project, as well as inadequate forest-dependent communities living within the project area resulted in the decision to expand the original project site to include the newly created district of Malinau i.e. from the initial land area of 302,900 hectares to 4.2 million hectares;
- the substantial reduction in the original budget when the ITTC approved the project meant that funds allocated for the salaries of professional staff and travel between Bogor and Malinau were not enough. Consequently, the salaries were converted into per diem, with the salaries of CIFOR and FORDA scientists and staff contributed as in-kind by both CIFOR and the Government of Indonesia. In addition, the involvement of international experts was reduced in favour of national experts by using mainly scientists from CIFOR for the project's implementation; and
- establishment of an office in the township of Malinau to improve co-ordination of the project at both the district and village levels, so as to enhance acceptance and ownership by the local government and the communities within the project area.

There was a delay of three months in starting the project due to the delay in appointing the Project Coordinator. There was also an extension to the project of 10 months but no additional funds were sought from the ITTO. The need to extend the project's duration was to accommodate the long process required in Indonesia to evaluate, approve and gazette land use (spatial) plans at the district, provincial and national levels.

Based on the review of the Project's Completion Report, Final Report, the various Progress Reports and discussions with individuals involved with the project's implementation, the Evaluation Team concluded that, overall, the project was executed efficiently, particularly the research component, and that allocated resources were used as per the project's budget and the scheduled activities.

After reviewing all project documents as well as discussions with the relevant project team members, the Evaluation Team concluded that both the project's Developmental Objective and the two Specific Objectives were only partly achieved because:

- firstly, the original project area, the Bulungan Forest Research, did not fully meet the requirements of a model forest, as the area did not have enough forest-dependent communities living within it; and
- secondly, the solution proposed to address this shortcoming i.e. extending the project area to encompass the Malinau District so as to increase the number of forest-dependent communities and

other stakeholders, made the project area too large for the purposes of a model forest. In addition, it enabled the uncertainty relating to poorly defined forest management roles and responsibilities between the District and the Provincial governments arising from the decentralization policy being implemented at the time by the Indonesian Government, to impact negatively on forest management decisions at both the district and village levels.

The project's specific objective of improving district coordination of forest management in the model forest through improved stakeholder participation, conflict management, development of land use plans and monitoring was also only partly achieved. This was because, although the project developed the tools necessary for SFM in a model forest such as village mapping, GIS capability, reduced impact logging, participatory decision-making, conflict management and the integration of livelihoods and local values, these approaches were not fully adopted by the Malinau District in developing the district land use plan i.e. the Kabupaten Spatial Plan.

The specific objective of implementing sustainable forest management in the Inhutani II Malinau concession through enhanced harvesting practices, stakeholder coordination, preparation of management plans and monitoring was not achieved at all because it was not possible to:

- implement SFM in Inhutani II's concession. Although training in RIL was done (Output 2.1), it was not possible to implement RIL in the concession due to the company being compelled by the Kabupaten to use local non-company contractors for harvesting activities rather than the company's own staff or contractors over whom it could exercise better control; and
- integrate the social and environmental aspects of SFM to produce a forest management plan for the company's concessions because the Kabupaten decided to allocate 50% of the company's concession for non-forest use, as well as issue a number of small scale logging permits (IPPK). Both activities were inconsistent with the objective of achieving SFM through improved harvesting practices such as RIL.

The project achieved the following outputs:

Output 1.1: Assessment of stakeholder values and livelihood options in the model forest as inputs to the district land use plan.

The project:

- identified and disseminated information on the value of forestry biodiversity to the local people;
- explored and promoted various livelihood options;
- provided training in the use of wood waste to produce charcoal, wood vinegar, wood carving, handicraft and mushroom cultivation;
- introduced fish farming to the Punan and other tribal communities; and
- introduced aloewood (*Aquilaria* spp).

Output 1.2: Recommendations to the district officials, forest managers, and community leaders about approaches for improving stakeholder participation and conflict solution in land use decisions.

The project:

- conducted research involving some 27 villages, prepared and disseminated in various formats several policy briefs aimed at reducing conflict between neighbouring villages so as to enhance forest management and covering topics such as:
 - customary forest;
 - local autonomy;
 - land use and the process of land use planning;
 - community participation on spatial land use planning;
 - impacts of local autonomy to forest and forest community;

- carbon trading;
- social forestry;
- transfer of debt for forest sustainability;
- classification of conservation areas in Indonesia;
- forest conservation permit;
- government regulation Number 34/2002 on forest planning and guideline for planning;
- government regulation number 35/002 on Reforestation Fund; and
- Conflict in forestry before and after Reformasi.

Output 1.3: An integrated spatial land use plan by district authorities for the model forest area.

The project was unable to develop an integrated district spatial land use plan for Kabupaten Malinau but prepared, published and disseminated information to local, provincial and national bodies responsible for land use plans on the process and the lessons learned in preparing participatory land use plans, as well as provided training in how to develop these plans. It also developed GIS capability for the Malinau District.

Output 2.1: Forest managers, both concessionaires and communities trained in RIL and associated practices.

The project produced reports on the advantages of RIL compared with conventional harvesting practices, as well as guidelines on implementing RIL. It also conducted workshops on RIL and provided training on RIL harvesting practices to representatives from timber companies, district officials and forest-dependent communities within Malinau District.

Output 2.2: Integrated sustainable forest management plans encompassing the social, technical and environmental issues and implementation of improved harvesting practices based on watershed unit area.

The project was unable to develop an integrated sustainable forest management plan for Inhutani II due to the decision by the Kabupaten Malinau to convert 50% of the company's concession to non-forest use, and also its decision to issue several small scale logging permits (IPPK) to local contractors. The involvement of IPPK permit holders obviated the need to implement SFM practices in Inhutani's concessions.

Output 2.3: Identification of constraints to adoption of practices that promote sustainable forest management.

The project published a research paper on the constraints to adopting RIL, and also organised an ITTO-Ministry of Forest regional workshop to review and compare experiences on implementing RIL in Indonesia and the Asia Pacific Region.

The Evaluation Team found that the Executing Agencies disseminated the project results effectively. Several technical publications and research papers were prepared and published through international and national publications. In addition, a number of discussion groups, seminars, workshops and training sessions were held to disseminate the project results to key stakeholder groups and representatives. The project also developed a mini library in Malinau for the purposes of disseminating project information to the local community, farmers and scholars from neighbouring districts.

4: Conclusions of the Evaluation

The Evaluation Team found that the project did not continue or the outputs were not effectively as adopted. This was because the intention was for a Phase III to be submitted to the ITTO for consideration and funding. Although the Evaluation Team was informed that a proposal for Phase III, focusing on implementation and adoption of the outputs from Phases I and II, has been prepared and submitted to the ITTO by the Government of Indonesia, its status could not be confirmed.

At the Kabupaten level, the Evaluation Team found no evidence that the Malinau District was continuing the project, with the exception of the GIS capability. The Kabupaten is continuing to use the GIS capacity developed by the project to produce maps and spatial land use plans for the district.

At the Village level, the Evaluation Team found that the village Setulang is still applying the tools developed by the project (conflict resolution, participatory decision-making for village development, the conservation forest concept and a more holistic and participatory approach to the preparation of Village Land Use Plan). However, the Village lacks the capacity to bring all these elements of a "model forest" concept together in a way that fully supports the sustainable management and use of the village's natural resources.

In the Village of Long Loreh, the Evaluation Team found that the people were well aware of the ideas and knowledge developed by the project but the Team also found no evidence that the villagers were using these ideas to influence the management of the Village's natural resources. For example, the Village had embraced coal mining within its forests. During the field visit, the project team expressed concern about the potential adverse impacts of mining coal within the Village's forests.

Discussions with the project team indicated that the national government had not adopted the participatory approaches to preparing spatial land use plans advocated by the project. For example, the Evaluation Team was informed that the National Spatial Plan 2008, which has been published by the national Government, was developed without adequate input from the district and provincial levels.

However, discussions with a senior forestry advisor in Jakarta revealed that the project may have indirectly influenced some national policies related to forestry. Concessionaires requiring extensions to their forest concessions are now required to seek, independent, third party mandatory certification of their forest management practices based on ITTO's criteria and indicators. Among the key criteria for assessing forest management performance under the government mandatory certification policy are the environmental and social aspects of forest management. Mandatory forest management certification can be a precursor to voluntary forest management certification either under the FSC or the PEFC certification schemes.

In the allocation of forest resources, there is now an emphasis on ensuring that the needs of local communities, with respect to access to forests, are met. The senior forestry advisor informed the Evaluation Team that this policy has been influenced by the Malinau project. Today, the concepts of social forestry, community-based forest plantations (15 hectares per household) and customary forestry are part of Indonesia's national forest policy considerations.

The concept of Reduced Impact Logging and the guidelines developed by the project have been adopted and incorporated into Indonesia's national forest policy by the Indonesian Government.

The Government of Indonesia has endorsed the decision by Kabupaten Malinau to declare the area a "conservation district" and awarded the nation's highest environmental awards to the District and the Village of Setulang.

Declaring Kabupaten Malinau a "conservation district" as a result of the ITTO project, has contributed to raising the profile of the District internationally, and attracted support from international donor agencies such as the German agency for international development, the GTZ, and the environmental non-governmental organization, the Borneo Tropical Forest Foundation (BTFF) for conservation-related activities.

During a meeting with the staff of Kabupaten Malinau offices, the Evaluation Team was informed that the project has had the following impacts:

- the ITTO project collected and analysed data on the health conditions of three remote villages in the District of Malinau. Prior to the project, the District had no knowledge of the health conditions of these remote villages, but the ITTO project provided valuable information on the health status of these remote villages. The district health agency now undertakes visits to these villages to assess their health conditions, and to provide them with medical services;
- the District Planning Agency informed the Evaluation Team that the ITTO project educated the Kabupaten about the important role environmental services particularly REDD, can play in improving the livelihoods of the people within the District. This partly influenced the decision by the Kabupaten to

declare the area a “conservation district”. The Agency now places greater emphasis on environmental services than before, and is considering reducing the area of forest allocated to timber harvesting. The Team was informed that prior to the project, the Agency lacked the research capacity to consider the relative merits of the other services provided by forests compared with commercial timber harvesting;

- there is now an awareness of the relative merits of RIL compared with conventional harvesting practices. Similarly, there is an increased awareness of the importance of spatial plans (land use plans), particularly the need to include social, cultural and economic information, as well as the need to seek the input of all relevant stakeholders in the preparation of district spatial plans. As a result of the project, consultation in the preparation of district spatial maps has been included in Kabupaten regulations but not the preparation of village maps i.e. it is now a requirement to undertake consultation with stakeholders during preparation of District spatial plans but there is no requirement to prepare separate village maps;
- the development of GIS capability as a result of the project has given the Kabupaten the capacity to produce quality maps. For example, the Kabupaten has now prepared population maps showing the distribution of villages. This information is invaluable in making decisions about land allocation, in particular the excision of villages residing within the District’s main national park.

The leaders of Setulang Village informed the Evaluation Team at a meeting that, as a result of the ITTO project:

- there is now better information encompassing the social, cultural and economic aspects of forests for preparing village level maps;
- the Setulang Research Camp (a centre for research into tropical rainforests) has been established;
- the Village is now focused on eco-tourism by capitalizing on the areas image as a “conservation district”;
- decisions related to forest resources and boundary demarcation are now more consultative than before, and also based on better information; and
- the Village has decided to protect its forests by limiting the expansion of shifting cultivation and exclude any activities which may potentially impact negatively on the integrity of their forests such as coal mining and excessive timber harvesting.

At the leaders meeting in the Village of Long Loreh, similar sentiments and vision were articulated but the Evaluation Team found no concrete evidence of active action similar to Setulang. However, there was evidence of the heightened awareness of the value and importance of forests created by the project.

The management of Inhutani II informed the Evaluation Team that as a result of the ITTO project, the company has:

- developed capacity in GIS, remote sensing and RIL. The company now undertakes growth measurements of trees post-harvesting;
- increased awareness and knowledge of SFM. Consequently, greater care is taken to reduce damage to residual stands during harvesting operations. The company is continually training its staff and contractors in RIL practices and aims to achieve mandatory certification of its forest management, as well as voluntary certification;
- assisted in minimizing its impacts on the forest-dependent communities through participatory mapping. For example, there is greater protection of edible bird nests than before the project;
- implemented a program of surveying its concessions and coupes prior to harvesting operations by involving the local communities. The downside of this approach is that it has increased conflict over ownership. However, the advantage is that it helps the authorities to better determine who the legitimate land owners are, for the purposes of royalty payments by the company. Pre-harvesting surveys also help the company to isolate customary areas within its concessions.

The Evaluation Team concluded that the project’s impact has been limited due to the following:

- discussions held with the project implementation team, a senior forest advisor at the Ministry of forestry, officials at Kabupaten Malinau and village leaders at Setulang and Long Loreh pointed to only limited direct and indirect impacts. Limited direct impact was evident only at the Village of Setulang;
- the lack of effective sustainability or continuation of the project;
- the failure of the three tiers of government (district, provincial and national) to include participatory decision-making as part of the consultations in the preparation of the national Spatial Plan 2008; and
- the failure to implement SFM including RIL and the development of a management plan for Inhutani II's concessions.

The key lessons learned from evaluating this project are that:

- appropriate project design is very important for the success and effectiveness;
- for integrated natural resource management projects to work effectively there is need to ensure that key stakeholders and partners clearly understand their roles and responsibilities. Further, it is important to ensure stakeholders and partners understand the importance and relevance of the various project activities, and how they fit together to support the achievement of the project objectives, particularly at the Kabupaten and village levels;
- in the execution of complex projects involving multiple partners and stakeholders, it is important that the project participants discuss and agree a plan or exit strategy, early in the execution phase, for how the project outputs will be adopted to ensure continuity or sustainability when the project is completed. Deferring consideration of project sustainability till the end of project life can often impact adversely on effective adoption of outputs;
- implementing a complex project in a continually changing political environment requires specialized facilitation and negotiation skills, and these skills do not usually reside within a research institute such as CIFOR. It is important that the stakeholders and partners understand the challenges they are likely to face in such an environment, and implement appropriate strategies including identifying the partners with relevant political and policy negotiation skills, to interface with the different levels of government involved in the project;
- when implementing a project involving research the outputs of which are expected to influence national policy, it is important that the project partners understand this from the outset of the project, and agree on clear separation of responsibilities between undertaking research and adoption of outputs. In relation to the Indonesian project, there was a failure to identify policy-oriented partners to support CIFOR's action-oriented research. FORDA is essentially a research arm of the Indonesian Government and not a policy formulating or implementing agency;
- given the complexity of the project, and the fact that it was being implemented across three tiers of decision-making (district, provincial and national), the Executing Agencies should have taken this into account, and allowed sufficient flexibility in the project implementation plan, to enable appropriate synchronization of the project's activities with the planning cycles of the different tiers of government;
- given the problems relating to the rapidly changing forest management roles and responsibilities of the three tiers of government, as well as their poor definition were also encountered during the implementation of Phase I of the Project, the Executing Agencies should have undertaken a better risk assessment of the situation and implemented appropriate contingency plans to overcome the problems; and
- inconsistencies and lack of clarity of the forestry sectoral policies of the three tiers of government negatively influenced the project's implementation, and made it difficult for the project outputs to influence policy changes at the appropriate levels of government, and to ensure the project's objectives were fully achieved.

Based on the review of project documents, field visits and discussions with relevant stakeholders, the Evaluation Team concluded that:

- the project was to a large extent executed efficiently;
- despite the weakness in the design of the project, the research aspects were well executed, and there were some obvious evidence of direct and indirect impacts at the three levels of government (local, provincial and national);
- the development and specific objectives of the project were only partly achieved;
- sustainability or continuation of the project appears to be occurring moderately at the village level but not at the district, provincial or national levels; and
- the actual impact in terms of influencing sustainable forest management at the district, provincial and national levels in Indonesia through the model forest approach has been less effective.

5: Recommendations

For the ITTO

Several of the challenges the project faced were identified during the meetings of the project steering committees and recorded in the minutes, copies of which were sent to the ITTO Secretariat. In addition, a representative of the ITTO Secretariat attended each meeting of the project steering committee. It is recommended that the ITTO secretariat representative who attends project steering committee meetings should ensure that any issues identified at these meetings are adequately addressed, and any project steering committee recommendations are fully implemented.

The membership of project steering committees is important as a project's success or failure depends on the effectiveness of the advice and guidance the committee provides to the project implementation agency. It is therefore crucial that the membership of project steering committees better reflects the composition of the key stakeholders. It is recommended that the ITTO should consider mechanisms to ensure that the membership of project steering committees better reflect the composition of key stakeholders.

Given the success of Phases I and II in developing all the tools, knowledge and ideas necessary for implementing a model forest in Indonesia, it is recommended that the ITTO should consider favourably a Phase III proposal submitted by the Government of Indonesia, provided:

- the focus of the project is on the implementation and adoption of the tools, ideas and knowledge developed from Phases I and II;
- the proposal identifies the right composition of the key agencies including those with the mandate and capacity to ensure effective implementation; and
- if the objective is to establish a model forest that the project designs including the project area meets the requirements of the model forest concept.

For the Country

The project objectives were appropriate and relevant. However, effectiveness in achieving the objectives was partly affected by the lack of effective continuation or adoption of the project outputs to influence policy changes at the village, district, provincial and national levels. This could have been obviated through a strategic choice of appropriate and relevant project partners who have the required mix of research and policy capability. It is recommended that for future projects, the implementing agencies should give consideration to identifying appropriate partners at the different levels of government, to facilitate and assist the effective adoption of the project outputs, particularly at the ground and policy levels.

The lack of effective adoption of the project outputs at the village and Kabupaten levels was partly due to the fact that these levels of decision-making always considered the project as a CIFOR activity rather than a project which they themselves owned. For future projects, it is recommended that the executing agencies should ensure that there is better acceptance and ownership of the project at the levels where the implementation and adoption

of the outputs will make a significant difference to the situation prior to the commencement of the project, i.e. at the district and village levels.

The project completion report indicates that a proposal for Phase III of the project has been prepared and submitted to the ITTO. However, the Evaluation Team's discussions with the key members of the project implementation team revealed an uncertainty about the status of this proposal. Given the success of Phases I and II in developing the tools, knowledge and ideas necessary for implementing a model forest in Indonesia, it is recommended that the Government of Indonesia should consider following up with the ITTO on the status of the Phase III proposal, and if it was not submitted, to submit it. Implementation of a Phase III will ensure the realization of the full impact of the project and thereby justify the ITTO's investment in Phases I and II.

PART II

1. Project Context

The project was part of the Indonesian Government's aim of creating an operational model forest to demonstrate how the many interests of groups concerned with forests, including forest-dependent communities, can be integrated in a manner that achieves sustainable forest management through linkages between large-scale land use planning at the district, provincial and national levels with sustainable local-level management at the village level.

Since 1998, Indonesia has been implementing major political and social reforms under its "Reformasi" (Reform in Indonesian) policy. A significant aspect of Reformasi was decentralisation and devolution of some aspects of management and decision-making responsibilities to the district and provincial levels. The project was necessary to assist Indonesia to learn and adapt to changes in the management of the national forest estate at a time of decentralization, and to assist in curbing illegal timber harvesting.

1.1: Project Objectives

The project was a continuation of Phase I (1997-2000), which was a long-term research project whose final objective was to achieve long-term forest management for multiple uses, by integrating social, economic, environmental and silvicultural aspects in decision-making relating to the nation's forest resources. Phase I contributed to a better understanding of the baseline biophysical conditions, stakeholder interests, regulatory frameworks, the rapid changes associated with decentralization and the costs and impacts of Reduced Impact Logging (RIL) in the project area.

The specific objectives of Phase II were to:

- iii) improve District (Kabupaten) coordination of forest management in the model forest through improved stakeholder participation, conflict management, development of land use plans and monitoring; and
- iv) implement sustainable forest management (SFM) in the PT Inhutani II's Malinau concession through enhanced harvesting practices, stakeholder coordination, preparation of management plans and monitoring.

1.2: Project Strategy

The overall strategy adopted in implementing the Phase II project in order to meet the project objectives were:

- FORDA and CIFOR worked together at the District level to provide information, tools and mechanisms to enable stakeholders to have a shared vision for improved decisions on sustainable land allocation and use. As a focus of the project was dealing with land use planning for the entire District, the collection of information on existing values and dependency among different stakeholders was expanded accordingly to cover the district. The role of communities at this level was to provide input to the planning process and review, and together with other stakeholders, to propose management options and discuss and assess their possible impacts. An education and awareness program was developed to explain FORDA and CIFOR's activities to local the partners, as well as to determine how to disseminate the results more effectively. The core output of these activities was the integrated spatial land use plan for the Malinau District and not just the Bulungan Research Forest (BRF) area;
- at the local level, the district land use plan was implemented in conjunction with a more detailed understanding of the local stakeholders and bio-physical context. The project worked closely with the peoples living in the many villages within the Malinau watershed. The RIL work was expanded in order to improve the capacity of the forest managers, communities and local government through training. The training was coordinated by FORDA/CIFOR with the assistance of other institutions such as the Tropical Forest Foundation (TFF) and local university. The result was increased capacity of the forest managers to take account of biodiversity, community-based forest management and improved silvicultural systems in their forest management activities;

- at both the district and local levels, it was necessary to improve the understanding of what people value, as well as to manage competition, improve institutions and encourage the adoption of improved practices. A study was conducted to identify impediments to the adoption of recommended practices and to outline methods to encourage people to take up these practices. The study also determined the costs and beneficiaries of improved practices and compared them to experience of other tropical forests; and
- CIFOR employed a field manager to oversee the operational implementation of SFM practices and a Project Coordinator to whom all staff and consultants were accountable.

1.3: Expected outputs

The expected outputs were:

- Output 1.1: Assessment of stakeholder values and livelihood options in the model forest as inputs to the district land use plan.
- Output 1.2: Recommendations to the district officials, forest managers, and community leaders about approaches for improving stakeholder participation and conflict resolution in land use decisions.
- Output 1.3: An integrated spatial land use plan by district authorities for the model forest area.
- Output 2.1: Forest managers, both concessionaires and communities trained in RIL and associated practices.
- Output 2.2: Integrated sustainable forest management plans encompassing the social, technical and environmental issues and implementation of improved harvesting practices based on watershed unit area.
- Output 2.3: Identification of constraints to the adoption of practices that promote sustainable forest management.

1.4: Target Beneficiaries Involvement

A wide range of stakeholders at the national, provincial and local levels were actively involved in various discussions and consultations that led to the publication and dissemination of the various technical documents, policy papers and books that are beneficial to the stakeholders. The peoples living in and around the forest have particularly benefited through information sharing, trainings on livelihood alternatives and workshops on the various aspects of forest management, while the community at large has greatly benefited through the media distribution of information, community group discussions, seminars, workshops and trainings. The number of media hits publishing information on the various activities of the project was steadily increasing during the duration of the project.

1.5: Project Inputs

The project inputs and sources were as follows

ITEM	AMOUNT\$USD
Total ITTO Budget	892,559.00
Government of Switzerland	450,000.00
Government of Japan (BPF-A)	362,599.00
Government of USA	80,000.00
Government of Indonesia (FORDA scientists time of USD18, 000 and land rent for project implementation (USD399, 000)	417,000.00
CIFOR, IRD, DFID	1,036,764.00
Total Budget	2,346,323.00

Additional funds from DFID and the IRD as well as significant additional in-kind contributions totaling \$USD190,087.00 were received from the project partners as follows:

- FORDA in the form of scientists' time (USD71,278);
- Contribution from the District Government in Malinau in the form of GIS equipment (USD104,303);
- Inhutani II in the form of road maintenance (USD5,000)
- Tropenbos International Indonesia Program in the form of joint training and workshop (USD4,500)
- IUCN-Netherlands in the form of joint activity (USD3,000)
- IUCN in the form of joint workshop in Balikpapan (USD1,000)
- Agency for National Development Plan (USD500)

The Center for International Forestry Research (CIFOR) and the Forestry Research and Development Agency (FORAD), Ministry of Forestry implemented the project.

1.6: The ITTO/ITTA Context

The project's Development Objective of achieving "long-term forest management for multiple uses, integrating social, economic, environmental and silvicultural aspects" was fully consistent with the objectives of the ITTA 1994. Similarly, the Project's Specific Objectives of improving (1) District (Kabupaten) coordination of forest management in the model forest through improved stakeholder participation, conflict management, development of land use plans and monitoring; and (2) implementing sustainable forest management (SFM) in the PT Inhutani II Malinau concession through enhanced harvesting practices, stakeholder coordination, preparation of management plans and monitoring were also fully consistent with the objectives of the ITTA 1994.

Specifically, the Project's Development Objectives and Specific Objectives related to the following ITTA 1994 objectives:

- (a) To provide an effective framework for consultation, international cooperation and policy development among all members with regard to all relevant aspects of the world timber economy.
- (b) To provide a forum for consultation to promote non-discriminatory timber trade practices.
- (c) To contribute to the process of sustainable development.
- (d) To enhance the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000.
- (e) To promote the expansion and diversification of international trade in tropical timber from sustainable sources by improving the structural conditions in international markets, by taking into account, on the one hand, a long-term increase in consumption and continuity of supplies, and, on the other, prices which reflect the costs of sustainable forest management and which are remunerative and equitable for members, and the improvement of market access.
- (f) To promote and support research and development with a view to improving forest management and efficiency of wood utilization as well as increasing the capacity to conserve and enhance other forest values in timber producing tropical forests.
- (j) To encourage members to support and develop industrial tropical timber reforestation and forest management activities as well as rehabilitation of degraded forest land, with due regard for the interests of local communities dependent on forest resources.
- (l) To encourage members to develop national policies aimed at sustainable utilization and conservation of timber producing forests and their genetic resources and at maintaining the ecological balance in the regions concerned, in the context of tropical timber trade.

In terms of ITTO's structure, the project was related to ITTO's Committee on Reforestation and Forest Management whose roles and responsibilities are concerned primarily with the sustainable management of the natural forest resource base for tropical timber.

The Project's objectives also met the objectives of the ITTO's Yokohama Action Plan, 2002 to 2006. The Goals of the Reforestation and Forest Management Committee in this Action Plan were to:

- support activities to secure the tropical timber resource base; and
- promote sustainable management of tropical forest resources.

Specific actions in the Action Plan which were also relevant to the project are:

- promoting the conservation, rehabilitation and sustainable management of threatened forest ecosystems, *inter alia* mangroves in collaboration with relevant organizations;
- assessing the current and potential productivity of major tropical forest types, taking into account the need to promote future growth and effective regeneration;
- improving the productive capacity of natural forests, where appropriate, through intensified silvicultural practices, better utilization of lesser-used species, the promotion of non-timber forest products, guided natural regeneration, enrichment planting and reforestation; and
- implementing research and development activities in the management of secondary tropical forests, restoration of degraded tropical forests and rehabilitation of degraded forest land, taking into consideration ITTO guidelines.

2: Evaluation Scope and Focus

The ITTO commissioned the ex-post evaluation to provide a concise diagnosis of the Project, so as to point out the successful and unsuccessful outcomes, the reasons for successes and failures, and the Project's contribution towards ITTO's Objective 2000 and the ITTO Yokohama Action Plan, and to draw lessons that can be used to improve similar projects in the future.

The ex-post evaluation's scope of work required an analysis and assessment of the project to determine:

1. the overall role and contribution of the project in light of sectoral policies, development programmes, priorities and requirements to improve forest management/inventory in the context of sustainable forest management (SFM) in Indonesia;
2. specific measures taken to incorporate project results in the national forestry and environmental policies and legislation;
3. the current status of forest management/inventory within the project's area of influence, the effectiveness of the project's implementation and its effectiveness in promoting SFM, as defined in the various *ITTO Guidelines* and other ITTO policy documents;
4. the contributions of the project in various forestry-related disciplines prepared by the project as regards the achievement of sustainable forest management in the project's area of influence and on other similar and/or related projects being implemented in Indonesia;
5. the results and potential impact of applied research conducted by the project (if any) and its contribution to the overall knowledge on forest management/inventory in Indonesia;
6. the impact of Project's activities on the improvements in forest management planning and on the livelihoods of the target populations;
7. the effectiveness of dissemination of the Project's results;
8. the overall post-project situation in the Project's area of influence;
9. the unexpected effects and impacts, either harmful or beneficial, and the reasons for their occurrences;

10. the cost efficiency in the implementation of the project, including the technical, financial and managerial aspects;
11. follow-up actions in order to enhance uptake of project results; and
12. the project's relative success or failure, including a summary of the key lessons learnt; and the identification of any issues or problems that should be taken into account in designing and implementing similar projects in the future.

The project was approved and funded by the International Tropical Timber Council (ITTC) at its Thirty-second Session in May 2002, held in Bali, Indonesia. The agreement regulating the project implementation was signed in August 2002 and the first disbursement of funds was made on 27 January 2003. The project started in February 2003 and the duration was 36 months. However, it was completed in December 2006 (10 months after the initial completion date of February 2006). The ITTC approved the 10-month extension during the ITTC held in Yokohama in 2005, without additional cost to the ITTO.

The Evaluation Team comprising Mr. Jean-Marie Samyn from Switzerland and Dr Kwame Asumadu from Australia visited Indonesia from 8th to 17th August 2009. The actual duration of the evaluation was five days.

3: Evaluation Methodology

The evaluation methodology involved:

- a review of the:
 - Project document;
 - Project progress reports;
 - technical reports and guidelines;
 - Minutes of the Project Steering and Technical committees;
 - the Project Completion Report; and
 - the Project Final Report
- interviews and discussions with the project implementation team;
- interviews and discussions with relevant officials and staff at both the District office in Malinau;
- interviews and discussions with relevant individuals in the villages of Long Loreh and Setulang; and
- field visits to the project site in Malinau, including the villages of Long Loreh and Setulang.

Detailed itinerary including the scheduled meetings and individuals who attended are at **Appendices 1 to 7**

4: Findings and Lessons Learned

4.1: Efficiency

Efficiency relates to an assessment of how the project inputs and activities were used in producing outputs as well as the quality of the outputs produced.

The Project Coordinator informed the Evaluation Team about the following operational changes to the original project proposal:

- at the commencement of the project, it was realized that the original project area, the Bulungan Research Forest, was not appropriate for implementing the model forest concept because the area had no active concessionaires who could collaborate in the project, and there were not enough people living within the project area. The original model forest concept, which was developed in Canada, involves combining the social, cultural and economic needs of local communities with the long-term sustainability of forest landscapes. The project area was therefore expanded to include the newly created district of Malinau i.e. from the initial land area of 302,900 hectares to 4.2 million hectares;

- the ITTC approved Phase II of the project with a substantial reduction in the original budget. This meant that funds allocated for the salaries of professional staff and travel between Bogor and Malinau were not enough. The funds for salaries were therefore converted into per diem, with the salaries of CIFOR and FORDA scientists and staff contributed as in-kind by both CIFOR and the Government of Indonesia;
- the involvement of international experts was reduced in favour of national experts, mainly used scientists from CIFOR for project implementation; and
- establishment of an office in the township of Malinau to improve co-ordination of the project at both the district and village levels, so as to enhance acceptance and ownership by the local government and the communities within the project area.

There was a delay of three months in starting the project due to the delay in appointing the Project Coordinator. There was also an extension to the project of 10 months but no additional funds were sought from the ITTO. The need to extend the project's duration was to accommodate the long process required in Indonesia to evaluate, approve and gazette land use (spatial) plans at the district, provincial and national levels. Final approval must come from the President of The Republic of Indonesia. Even with the 10-month extension, the approval process for gazetting the new land use plan for the District, which incorporated inputs from the project, was not able to be achieved. During the Evaluation Team's visit officials at the Malinau District informed the Team that the land use plan had still not been approved for gazettal.

Based on the review of the Project's Completion Report, Final Report, the various Progress Reports and discussions with individuals involved with the project's implementation, the Evaluation Team concluded that, overall, the project was executed efficiently, particularly the research component, and that allocated resources were used as per the project's budget and the scheduled activities.

Indeed, the original scope of the project was able to be expanded significantly due to the ability of the Project Co-ordinator to obtain additional in-kind and cash resources, as well as extend the project's original duration by 10 months without additional resources from the ITTO.

4.2: Effectiveness

Effectiveness relates to an assessment of the project's achievements i.e. the outputs, and how the outputs contributed to the specific and development objectives.

After reviewing all project documents and discussions with the relevant project team members, the Evaluation Team concluded that both the project's Developmental Objective and the two Specific Objectives were only partly achieved.

In the view of the Evaluation Team, the Development Objective of establishing a model forest to achieve long-term forest management for multiple uses by integrating social, economic, environmental and silvicultural aspects was only partly achieved because:

- firstly, the original project area, the Bulungan Forest Research, did not fully meet the requirements of a model forest, as the area did not have enough forest-dependent communities living within it; and
- secondly, the solution proposed to address this shortcoming i.e. extending the project area to encompass the Malinau District so as to increase the number of forest-dependent communities and other stakeholders, made the project area too large for the purposes of a model forest. In addition, it enabled the uncertainty relating to poorly defined forest management roles and responsibilities between the District and the Provincial governments arising from the decentralization policy being implemented at the time by the Indonesian Government, to impact negatively on forest management decisions at both the district and village levels.

The policy of decentralization which was being implemented by the Government of Indonesia during the period of the project's execution was aimed at devolving greater administrative autonomy and therefore decision-making powers to the provincial and district governments. However, decision-making relating to forest management was only partially devolved to the district, with the provincial government still having a major influence over forest management decisions on behalf of the national government. For example, the authority to issue timber transport permits which still resided with the provincial government rather than the district government, gives the

provincial government a relatively stronger authority over forest management decisions than the district government.

The unwillingness of the national government to clearly define the forest management roles and responsibilities of each level of government, as well as the rapidly changing nature of these roles and responsibilities, heightened conflict between the national and district governments, and impacted negatively on the effectiveness of implementing some of the activities aimed at achieving the project's specific objectives.

As indicated in the Project Completion Report, and also confirmed to the Evaluation Team during its visit to Indonesia, the Executing Agencies were well aware of these difficulties, as similar challenges were encountered during Phase I of the project. In the view of the Evaluation Team, the Executing Agencies should have redesigned the project, or developed more effective strategies for implementing the project in an uncertain political climate. Developing a strategy to deal with the political uncertainty was important and should have been considered, given the Executing Agencies' explanation that it decided not to redesign the project as the uncertain political climate provided the opportunity to learn lessons about how to implement SFM in forest-rich areas during times of political uncertainty.

The project's specific objective of improving district coordination of forest management in the model forest through improved stakeholder participation, conflict management, development of land use plans and monitoring was also only partly achieved. This was because, although the project developed the tools necessary for SFM in a model forest such as village mapping, GIS capability, reduced impact logging, participatory decision-making, conflict management and the integration of livelihoods and local values, these approaches were not fully adopted by the Malinau District in developing the district land use plan i.e. the Kabupaten Spatial Plan.

The specific objective of implementing sustainable forest management in the Inhutani II Malinau concession through enhanced harvesting practices, stakeholder coordination, preparation of management plans and monitoring was not achieved at all because it was not possible to:

- implement SFM in Inhutani II's concession. Although training in RIL was done (Output 2.1), it was not possible to implement RIL in the concession due to the company being compelled by the Kabupaten to use local non-company contractors for harvesting activities rather than the company's own staff or contractors over whom it could exercise better control; and
- integrate the social and environmental aspects of SFM to produce a forest management plan for the company's concessions because the Kabupaten decided to allocate 50% of the company's concession for non-forest use, as well as issue a number of small scale logging permits (IPPK). Both activities were inconsistent with the objective of achieving SFM through improved harvesting practices such as RIL.

4.3: Effectiveness by Outputs

4.3.1: Details of Outputs Achieved by the Project

The project achieved the following outputs:

Output 1.1: Assessment of stakeholder values and livelihood options in the model forest as inputs to the district land use plan.

The project:

- identified and disseminated information on the value of forestry biodiversity to the local people;
- explored and promoted various livelihood options;
- provided training in the use of wood waste to produce charcoal, wood vinegar, wood carving, handicraft and mushroom cultivation;
- introduced fish farming to the Punan and other tribal communities; and
- introduced aloewood (*Aquilaria* spp) cultivation and inoculation.

Output 1.2: Recommendations to the district officials, forest managers, and community leaders about approaches for improving stakeholder participation and conflict solution in land use decisions.

The project:

- conducted research involving some 27 villages, prepared and disseminated in various formats several policy briefs aimed at reducing conflict between neighbouring villages so as to enhance forest management and covering topics such as:
 - customary forest;
 - local autonomy;
 - land use and the process of land use planning;
 - community participation on spatial land use planning;
 - impacts of local autonomy to forest and forest community;
 - carbon trading;
 - social forestry;
 - transfer of debt for forest sustainability;
 - classification of conservation areas in Indonesia;
 - forest conservation permit;
 - government regulation Number 34/2002 on forest planning and guideline for planning;
 - government regulation number 35/002 on Reforestation Fund; and
 - Conflict in forestry before and after Reformasi.

Output 1.3: An integrated spatial land use plan by district authorities for the model forest area.

The project was unable to develop an integrated district spatial land use plan for Kabupaten Malinau but prepared, published and disseminated information to local, provincial and national bodies responsible for land use plans on the process and the lessons learned in preparing participatory land use plans, as well as provided training in how to develop these plans. It also developed GIS capability for the Malinau District.

Output 2.1: Forest managers, both concessionaires and communities trained in RIL and associated practices.

The project produced reports on the advantages of RIL compared with conventional harvesting practices, as well as guidelines on implementing RIL. It also conducted workshops on RIL and provided training on RIL harvesting practices to representatives from timber companies, district officials and forest-dependent communities within Malinau District.

Output 2.2: Integrated sustainable forest management plans encompassing the social, technical and environmental issues and implementation of improved harvesting practices based on watershed unit area.

The project was unable to develop an integrated sustainable forest management plan for Inhutani II due to the decision by the Kabupaten Malinau to convert 50% of the company's concession to non-forest use, and also its decision to issue several small scale logging permits (IPPK) to local contractors. The involvement of IPPK permit holders obviated the need to implement SFM practices in Inhutani's concessions.

Output 2.3: Identification of constraints to adoption of practices that promote sustainable forest management.

The project published a research paper on the constraints to adopting RIL, and also organised an ITTO-Ministry of Forest regional workshop to review and compare experiences on implementing RIL in Indonesia and the Asia Pacific Region.

4.4: Dissemination of Results

The Evaluation Team found that the Executing Agencies disseminated the project results effectively. Several technical publications and research papers were prepared and published through international and national publications. In addition, a number of discussion groups, seminars, workshops and training sessions were held to disseminate the project results to key stakeholder groups and representatives. The project also developed a mini library in Malinau for the purposes of disseminating project information to the local community, farmers and scholars from neighbouring districts. Effective dissemination of the project outputs was confirmed by the good awareness of the project at the district and village levels during the Evaluation Team's visit to Kabupaten Malinau and the villages of Long Loreh and Setulang.

4.5: Project Sustainability

The project team informed the Evaluation Team that, it was expected that FORDA and Kabupaten Malinau would continue the project. Indeed, the Evaluation Team was informed and also documented in the Project Completion Report that a proposal for Phase III, focusing on implementation and adoption of the outputs from Phases I and II, has been submitted to the ITTO by the Government of Indonesia.

At the Kabupaten level, the Evaluation Team found no evidence that the Malinau District was continuing the project, with the exception of the GIS capability. The Kabupaten is continuing to use the GIS capacity developed by the project to produce maps and spatial land use plans for the district.

At the Village level, the Evaluation Team found that the village Setulang is still applying the tools developed by the project (conflict resolution, participatory decision-making for village development, the conservation forest concept and a more holistic and participatory approach to the preparation of Village Land Use Plan). However, the Village lacks the capacity to bring all these elements of a "model forest" concept together in a way that fully supports the sustainable management and use of the village's natural resources.

In the Village of Long Loreh, the Evaluation Team found that the people were well aware of the ideas and knowledge developed by the project but the Team also found no evidence that the villagers were using these ideas to influence the management of the Village's natural resources. For example, the Village had embraced coal mining within its forests. During the field visit, the project team expressed concern about the potential adverse impacts of coal mining within the Village's forests.

4.6: Impact and Effects

At the National Level

Discussions with the project team indicated that the process of participatory approach has been adopted by Tropenbos Indonesia Project in its project, as well as by a number of follow up projects that dealing with spatial planning in Indonesia.

Discussions with a senior forestry advisor in Jakarta revealed that the project may have indirectly influenced some national policies related to forestry. Concessionaires requiring extensions to their forest concessions are now required to seek, independent, third party mandatory certification of their forest management practices based on ITTO's criteria and indicators. Among the key criteria for assessing forest management performance under the government mandatory certification policy are the environmental and social aspects of forest management. Mandatory forest management certification can be a precursor to voluntary forest management certification either under the FSC or the PEFC certification schemes.

In the allocation of forest resources, there is now an emphasis on ensuring that the needs of local communities, with respect to access to forests, are met. The senior forestry advisor informed the Evaluation Team that this policy has been influenced by the Malinau project. Today, the concepts of social forestry, community-based forest plantations (15 hectares per household) and customary forestry are part of Indonesia's national forest policy considerations.

The concept of Reduced Impact Logging and the guidelines developed by the project have been adopted and incorporated into Indonesia's national forest policy by the Indonesian Government.

The Government of Indonesia has endorsed the decision by Kabupaten Malinau to declare the area a "conservation district" and awarded the nation's highest environmental awards to the District and the Village of Setulang.

Declaring Kabupaten Malinau a "conservation district" as a result of the ITTO project, has contributed to raising the profile of the District internationally, and attracted support from international donor agencies such as the German agency for international development, the GTZ, and the environmental non-governmental organization, the Borneo Tropical Forest Foundation (BTFF) for conservation-related activities.

District (Kabupaten) Level

During a meeting with the staff of Kabupaten Malinau offices, the Evaluation Team was informed that the project has had the following impacts:

- the ITTO project collected and analysed data on the health conditions of three remote villages in the District of Malinau. Prior to the project, the District had no knowledge of the health conditions of these remote villages, but the ITTO project provided valuable information on the health status of these remote villages. The district health agency now undertakes visits to these villages to assess their health conditions, and to provide them with medical services. In 2009, nine villages were covered and the Kabupaten was thinking about working with CIFOR to extend their health-related research to other remote villages within the District;
- the District Planning Agency informed the Evaluation Team that the ITTO project educated the Kabupaten about the important role environmental services particularly REDD, can play in improving the livelihoods of the people within the District. This partly influenced the decision by the Kabupaten to declare the area a "conservation district". The Agency now places greater emphasis on environmental services than before, and is considering reducing the area of forest allocated to timber harvesting. The Team was informed that prior to the project, the Agency lacked the research capacity to consider the relative merits of the other services provided by forests compared with commercial timber harvesting. The Evaluation Team, however, found little evidence that the Kabupaten fully appreciated the implications of declaring the area a "conservation district";
- there is now an awareness of the relative merits of RIL compared with conventional harvesting practices. Similarly, there is an increased awareness of the importance of spatial plans (land use plans), particularly the need to include social, cultural and economic information, as well as the need to seek the input of all relevant stakeholders in the preparation of district spatial plans. As a result of the project, consultation in the preparation of district spatial maps has been included in Kabupaten regulations but not the preparation of village maps i.e. it now a requirement to undertake consultation with stakeholders during preparation of District spatial plans but there is no requirement to prepare separate village maps;
- the development of GIS capability as a result of the project has given the Kabupaten the capacity to produce quality maps. For example, the Kabupaten has now prepared population maps showing the distribution of villages. This information is invaluable in making decisions about land allocation, in particular the excision of villages residing within the District's main national park.

At the Village Level

The leaders of Setulang Village informed the Evaluation Team at a meeting that, as a result of the ITTO project:

- there is now better information encompassing the social, cultural and economic aspects of forests for preparing village level maps;
- the Setulang Research Camp (a centre for research into tropical rainforests) has been established;
- the Village is now focused on eco-tourism by capitalizing on the areas image as a "conservation district";
- decisions related to forest resources and boundary demarcation are now more consultative than before, and also based on better information; and

- the Village has decided to protect its forests by limiting the expansion of shifting cultivation and exclude any activities which may potentially impact negatively on the integrity of their forests such as e timber harvesting in its customary forests.

At the leaders meeting in the Village of Long Loreh, similar sentiments and vision were articulated but the Evaluation Team found no concrete evidence of active action similar to Setulang. However, there was evidence of the heightened awareness of the value and importance of forests created by the project.

At the Enterprise Level

The management of Inhutani II informed the Evaluation Team that as a result of the ITTO project, the company has:

- developed capacity in GIS, remote sensing and RIL. The company now undertakes growth measurements of trees post-harvesting;
- increased awareness and knowledge of SFM. Consequently, greater care is taken to reduce damage to residual stands during harvesting operations. The company is continually training its staff and contractors in RIL practices and aims to achieve mandatory certification of its forest management, as well as voluntary certification;
- assisted in minimizing its impacts on the forest-dependent communities through participatory mapping. For example, there is greater protection of edible bird nests than before the project;
- implemented a program of surveying its concessions and coupes prior to harvesting operations by involving the local communities. The downside of this approach is that it has increased conflict over ownership. However, the advantage is that it helps the authorities to better determine who the legitimate land owners are, for the purposes of royalty payments by the company. Pre-harvesting surveys also help the company to isolate customary areas within its concessions.

The Evaluation Team concluded that the project's impact has been limited due to the following:

- discussions held with the project implementation team, a senior forest advisor at the Ministry of forestry, officials at Kabupaten Malinau and village leaders at Setulang and Long Loreh pointed to only limited direct and indirect practical impacts. Limited direct practical impact was evident only at the Village of Setulang;
- the lack of effective sustainability or continuation of the project;
- the failure of the three tiers of government (district, provincial and national) to adopt participatory decision-making in the preparation of the national Spatial Plan 2008; and
- the failure to implement SFM including RIL and the development of a management plan for Inhutani II's concessions.

5: Lessons Learned

They key lessons learned from evaluating this project are that:

- appropriate project design is very important for the success and effectiveness. As already discussed above under Project Effectiveness, the selected project area did not meet the fundamental requirements of a model forest, and the solution developed to address this issue introduced further complexity into the project, as the forest management roles and responsibilities of the three tiers of governments involved in the project's execution were not clearly defined;
- for integrated natural resource management projects to work effectively there is need to ensure that key stakeholders and partners clearly understand their roles and responsibilities. Further, it is important to ensure stakeholders and partners understand the importance and relevance of the various project activities, and how they fit together to support the achievement of the project objectives, particularly at the Kabupaten and village levels;

- in the execution of complex projects involving multiple partners and stakeholders, it is important that the project participants discuss and agree a plan or exit strategy, early in the execution phase, for how the project outputs will be adopted to ensure continuity or sustainability when the project is completed. Deferring consideration of project sustainability till the end of project life can often impact adversely on effective adoption of outputs;
- implementing a complex project in a continually changing political environment requires specialized facilitation and negotiation skills, and these skills do not usually reside within a research institute such as CIFOR. It is important that the stakeholders and partners understand the challenges they are likely to face in such an environment, and implement appropriate strategies including identifying the partners with relevant political and policy negotiation skills, to interface with the different levels of government involved in the project;
- when implementing a project involving research the outputs of which are expected to influence national policy, it is important that the project partners understand this from the outset of the project, and agree on clear separation of responsibilities between undertaking research and adoption of outputs. In relation to the Indonesian project, there was a failure to identify policy-oriented partners to support CIFOR's action-oriented research. FORDA is essentially a research arm of the Indonesian Government and not a policy formulating or implementing agency;
- given the complexity of the project, and the fact that it was being implemented across three tiers of decision-making (district, provincial and national), the Executing Agencies should have taken this into account, and allowed sufficient flexibility in the project implementation plan, to enable appropriate synchronization of the project's activities with the planning cycles of the different tiers of government;
- given the problems relating to the rapidly changing forest management roles and responsibilities of the three tiers of government, as well as their poor definition were also encountered during the implementation of Phase I of the Project, the Executing Agencies should have undertaken a better risk assessment of the situation and implemented appropriate contingency plans to overcome the problems; and
- inconsistencies and lack of clarity of the forestry sectoral policies of the three tiers of government negatively influenced the project's implementation, and made it difficult for the project outputs to influence policy changes at the appropriate levels of government, and to ensure the project's objectives were fully achieved.

6: Recommendations

6.1: For the ITTO

Several of the challenges the project faced were identified during the meetings of the project steering committees and recorded in the minutes, copies of which were sent to the ITTO Secretariat. In addition, a representative of the ITTO Secretariat attended each meeting of the project steering committee. It is recommended that the ITTO secretariat representative who attends project steering committee meetings should ensure that any issues identified at these meetings are adequately addressed, and any project steering committee recommendations are fully implemented.

The membership of project steering committees is important as a project's success or failure depends on the effectiveness of the advice and guidance the committee provides to the project implementation agency. It is therefore crucial that the membership of project steering committees better reflects the composition of the key stakeholders. It is recommended that the ITTO should consider mechanisms to ensure that the membership of project steering committees better reflect the composition of key stakeholders.

Given the success of Phases I and II in developing all the tools, knowledge and ideas necessary for implementing a model forest in Indonesia, it is recommended that the ITTO should consider favourably a Phase III proposal submitted by the Government of Indonesia, provided:

- **the focus of the project is on the implementation and adoption of the tools, ideas and knowledge developed form Phases I and II;**

- the proposal identifies the right composition of the key agencies including those with the mandate and capacity to ensure effective implementation; and
- if the objective is to establish a model forest that the project designs including the project area meets the requirements of the model forest concept.

6.2: For the Country

The project objectives were appropriate and relevant. However, effectiveness in achieving the objectives was partly affected by the lack of effective continuation or adoption of the project outputs to influence policy changes at the village, district, provincial and national levels. This could have been obviated through a strategic choice of appropriate and relevant project partners who have the required mix of research and policy capability. It is recommended that for future projects, the implementing agencies should give consideration to identifying appropriate partners at the different levels of government, to facilitate and assist the effective adoption of the project outputs, particularly at the ground and policy levels.

The lack of effective adoption of the project outputs at the village and Kabupaten levels was partly due to the fact that these levels of decision-making always considered the project as a CIFOR activity rather than a project which they themselves owned. For future projects, it is recommended that the executing agencies should ensure that there is better acceptance and ownership of the project at the levels where the implementation and adoption of the outputs will make a significant difference to the situation prior to the commencement of the project, i.e. at the district and village levels.

The project completion report indicates that a proposal for Phase III of the project has been prepared and submitted to the ITTO. However, the Evaluation Team's discussions with the key members of the project implementation team revealed an uncertainty about the status of this proposal. Given the success of Phases I and II in developing the tools, knowledge and ideas necessary for implementing a model forest in Indonesia, it is recommended that the Government of Indonesia should consider following up with the ITTO on the status of the Phase III proposal, and if it was not submitted, to submit it. Implementation of a Phase III will ensure the realization of the full impact of the project and thereby justify the ITTO's investment in Phases I and II.

7: Conclusions

Based on the review of project documents, field visits and discussions with relevant stakeholders, the Evaluation Team concluded that:

- the project was to a large extent executed efficiently;
- despite the weakness in the design of the project, the research aspects were well executed, and there were some obvious evidence of direct and indirect impacts at the three levels of government (local, provincial and national);
- the development and specific objectives of the project were only partly achieved;
- sustainability or continuation of the project appears to be occurring moderately at the village level but not at the district, provincial or national levels; and
- despite the large body of published material, practical impact in terms of influencing sustainable forest management at the district, provincial and national levels in Indonesia through the model forest approach has been less effective.

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APPENDICES

ITINERARYITINERARY FOR TRIP TO INDONESIA, 8TH TO 17TH AUGUST 2009 FOR THE EX-POST EVALUATION OF PD 39/00 REV.3 (F)CONSULTANTS: MR. JEAN-MARIE SAMYN AND DR KWAME ASUMADU

<u>DATE</u>	<u>ACTIVITY</u>
Saturday 8 th August	Jean-Marie Samyn arrives in Jakarta, picked up by CIFOR car and taken to CIFOR Guest House, Bogor
Sunday 9 th August	Kwame Asumadu arrives in Jakarta at 1720, picked up by CIFOR car and taken to CIFOR Guest House, Bogor
Sunday, 9 th August	Preparatory meeting at CIFOR Guest House, Bogor (Kwame Asumadu & Jean-Marie Samyn)
Monday, 10th August:	
9.00 am to 12.00pm	At CIFOR HQ: Meeting with CIFOR personnel involved in the project : Moira Moeliono, Hari Priyadi), Petrus Gunarso (ex Malinau Research Forest project Coordinator), Kresno Santosa (research assistant), and Riskan Effendi (ex-Site Manager) and FORDA scientists in Bogor: <ol style="list-style-type: none"> 1. Dr. Chairil Anwar Siregar (Land and erosion researcher) 2. Mr. Tadjudin Edi Komar (Vegetation researcher) 3. Dr. M. Bismark (aquatic fauna researcher) 4. Dr. Kade Sidiyasa (botanist) 5. Titik Setyawati (ITTO report writing) 6. Reni Sawitri (aquatic fauna researcher)
12.00 – 13.00pm	Lunch at CIFOR, then travel to Jakarta with CIFOR car
3.00 pm	Meeting with Ministry of Forestry staff in Jakarta (Kwame Asumadu, Jean-Marie Samyn and Moira Moeliono): Courtesy meeting with FORDA Director General (Fathoni) – 30 minutes
40.00 pm	Stay in Sultan Hotel in Jakarta
Tuesday, 11th August	Field visit to project site. Meet Moira at Jakarta airport, and travel together from Jakarta – Balikpapan – Tarakan – Malinau (Field Visit with Moira. Godwin Limberg will meet them in Balikpapan and join them to Malinau)
2.00 pm – 3.30 pm	Tarakan – Malinau by By speedboat, 3 hours
7.00 pm	Dinner at Hotel Mahkota/Wijaya with Head of Malinau District, Moira, Godwin, Ramses Iwan, Michael Padmanaba, Imam Basuki, Inhutani

<u>DATE</u>	<u>ACTIVITY</u>
Wednesday, 12 th August	<p>in Malinau - Meeting with Malinau government staff; Discussion with resource persons, visit Loreh, stay overnight in Loreh</p> <p>Meeting with resource persons in Malinau:</p> <ol style="list-style-type: none"> 1. Bapak G. Silooy dan Yatno (Dinas Kehutanan) 2. Bapak Junus (Bapedalda) 3. Bapak Tan Irang (PMD) 4. PT Inhutani II 5. Dinas Kesehatan (partner of Patrice and Edmond's project)
Thursday, 13 th August	<p>in Malinau - Field visit (visit Head of village and resource persons in Loreh,</p> <p>Loreh – Setulang: by river</p> <p>Visit Setulang, stay overnight in Setulang</p>
Friday 14 th August	Setulang - Malinau – Tarakan – Balikpapan – Jakarta
Saturday, 15 th August:	Examination of project records, including interviews and discussions with relevant officers and stakeholders
Sunday, 16 th August	Wrap-up meeting
Monday, 17 th August	Departure from Jakarta

MEETING OF THE PROJECT IMPLEMENTATION TEAM, CIFOR, 10TH AUGUST, 2009

<u>NAME</u>	<u>ORGANISATION</u>
Moira Moeliono	CIFOR
Riskan Effendi	FORDA
Petrus Gunarso	Tropenbos Indonesia
Kresno Santosa	Tropenbos Indonesia
Hari Priyadi	CIFOR
Tajudin Edy Komar	FORDA
Reny Sawitri	FORDA
Sofian Iskandar	FORDA
J-M Samyn	Intercooperation
Kwame Asumadu	Asumadu Pty Ltd

MEETING HELD IN MALINAU, 12TH AUGUST, 2009

<u>NAME</u>	<u>ORGANISATION</u>
Moira Moeliono	CIFOR
Sofian Iskandar	FORDA
J-M Samyn	Intercooperation
Kwame Asumadu	Asumadu Pty Ltd
Ramses Iwan	CIFOR
Godwin Limberg	CIFOR
Y Yayung Rining	District Health Agency
Yatno Supriadi	GIS, Dinas Kehutanan
Junus Poddalah District	Environmental Office of the
Gerard Silooy	
Nupsalam	

MEETING HELD IN MALINAU, 12TH AUGUST, 2009, WITH THE MANAGEMENT OF INHUTANI II

<u>NAME</u>	<u>ORGANISATION</u>
Moira Moeliono	CIFOR
J-M Samyn	Intercooperation
Kwame Asumadu	Asumadu Pty Ltd
Ramses Iwan	CIFOR
Godwin Limberg	CIFOR
Muhammad Irfan	Inhutani II
Morson Tabibiati	Inhutani II

MEETING HELD IN LONG LOREH, 12TH AUGUST, 2009

<u>NAME</u>	<u>ORGANISATION</u>
Moira Moeliono	CIFOR
J-M Samyn	Intercooperation
Kwame Asumadu	Asumadu Pty Ltd
Ramses Iwan	CIFOR
Godwin Limberg	CIFOR
Matius Irang	Long Loreh
Merang Lian	Long Loreh
Mika Jalai	Village head of Long Loreh
Ingan Bilung	Long Loreh
Sargius	Long Loreh
L Paulus Irang	Long Loreh
Setipanus Apui	Long Loreh
Yusuf Anye	Village head of Sengayan

MEETING HELD IN SETULANG, 13TH AUGUST, 2009

<u>NAME</u>	<u>ORGANISATION</u>
Maira Moeliono	CIFOR
J-M Samyn	Intercooperation
Kwame Asumadu	Asumadu Pty Ltd
Ramses Iwan	CIFOR
Godwin Limberg	CIFOR
C Kole Adjang	Desa Setulang
Kahang Jalung	Desa Setulang
Bajin Alui	Desa Setulang
Belit	Desa Setulang

WRAP UP MEETING HELD AT THE SULTAN HOTEL IN JAKARTA, 15TH AUGUST, 2009

<u>NAME</u>	<u>ORGANISATION</u>
Moira Moeliono	CIFOR
J-M Samyn	Intercooperation
Kwame Asumadu	Asumadu Pty Ltd
Petrus Gunarso	Tropenbos Indonesia