EX-POST EVALUATION REPORT

SUSTAINABLE FOREST MANAGEMENT AND HUMAN RESOURCES DEVELOPMENT IN INDONESIA

ITTO Project PD 89/90 (F)

Submitted to:

International Tropical Timber Organization (ITTO)

Submitted by:

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September 2006
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Glossary of Acronyms and Abbreviations

BAPPENAS  Agency for National Development Planning
BB/BR NP  Bukit Baka/Bukit Raya National Park
BPK      Regional Research Institutes
CFET     Center for Forestr Education and Training (formerly CETFEC)
CETFEC   Center for Education and Training for Forestry and Estate Crops
C & I    Criteria and Indicators (for Sustainable Forest Management)
CIFOR    Center for International Forestry Research (Bogor)
DIP      Daftar Isian Proyek (Government Project Budgeting System)
FFP      Forest Fire Prevention
FoF UNMUL Faculty of Forestry, University of Mulawarman, Samarinda
GOI      Government of Indonesia
HPH      Hak Pengusahaan Hutan (Forest Concessionaire)
HRD      Human Resources Development
ITTA     International Tropical Timber Agreement
ITTC     International Tropical Timber Council
ITTO     International Tropical Timber Organization
JICA     Japan International Cooperation Agency
KLN      Bureau of International Cooperation, Ministry of Forestry
KRTS     Kaburai Research and Training Station
LEI      Lembaga Ekolabel Indonesia
MoFin    Ministry of Finance
MoF      Ministry of Forestry
MP       Management Plan (for BK/BR NP)
NGO      Non-government organization
NRM      Natural Resource Management Project (of USAID in Indonesia)
PHP      Directorate General of Forest Utilization
PKA      Directorate General of Forest Protection and Nature Conservation
PMG      Project Management Group [for PD 89/90(F)]
PT Indeco Phase I & II contractor for the overseas education component
RA       ITTO Resident Advisor in Jakarta
TPTI     Terbang Pilih Tanam Indonesia (Indonesian Selective Cutting and Planting System)
UPM      Universiti Pertanian Malaysia
USAID    United States Agency for International Development
List of People Contacted:

[MOF Headquarters]
Bambang Murdiono Director of Bureau of International Cooperation (Biro KLN)
M. Kuswanda Former Resident Adviser, PD 89/90
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Gatot Soebiantoro Bureau of International Cooperation, MoF
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Fajarina TK Project Administrator, PD 42/00, APHI
Rukmantara Project Leader, PD 42/00, APHI
Eko Priyantono Forest Protection and Nature Conservation (PHKA)
Rudy Eko M Forest Production Development (BPK)
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Sustainable Forest Management and HRD in Indonesia

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Juita  
Abdullah Bahdi  
Yasser Arafat  
Edi Zulkarnaen  National Park Office, Sintang  
Syafiel  Baramega Foundation  
Turmuji Hasma  KADIS Kehutanan  
Wilson  
Rusmaharmidi Chamli  Head, Taman Nasional BB/BR  

* - Participants to the graduate/postgraduate studies supported by the project
ANNEXES

Annex 1 : List of Ph.D graduates
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PROJECT EVALUATION REPORT
ITTO Project PD 89/90 (F) I, II & III (Indonesia)
*Sustainable Forest Management and Human Resources Development In Indonesia – Phase I, II, & III*

Part I: EXECUTIVE SUMMARY

1. The Project

Project PD 89/90 (F): *Sustainable Forest Management and Human Resources Development in Indonesia*, was submitted to the 8th Session of the ITTC in Bali, Indonesia, in May 1990 by the Government of Indonesia.

The project was initiated to address the need to achieve efficient management of the forest resources on Indonesia. It consisted of several activities in forestry research, the improvement of management of conservation and protection forests, and the development of human resources in forestry in Indonesia.

The project’s development objectives are at two levels: international and national levels. At the international level, the project was to contribute to global sustainable development through the improvement of policies and practices to enhance the economic efficiency of tropical forest management, especially through the dissemination and exchange of information concerning Indonesia’s experience in such efforts. At the national level, the project was expected to contribute to the attainment of Indonesia’s sustainable economic growth through the development of policies and encouraging productive investments to enhance the economic efficiency of forest resources management.

The specific objectives are:

1. **Improved forest research.** To strengthen the capacity of the MoF’s Forest Research and Development Agency (FORDA) to program and manage forestry research in cooperation with the private sector and other government agencies on the sustainable management of forest areas; the generation of information for forestry policy analysis from the conduct of applied research and establishment of demonstration pilot activities on (a) sustainable natural forest management, and (b) the multiple-use management of protected/conservation areas.

2. **Improved management of conservation and protection forests.** To strengthen the ability at the MoF’s Directorate General for Forest Protection and Nature Conservation to prepare and implement management plans for selected protected and conservation forest areas; and the conduct of these activities as the basis for testing alternative management approaches and demonstrating strategies for enhancing economic returns from development-oriented conservation activities.
(3) **Long-term human resources development and improved public awareness in topics related to tropical forest management.** To establish a unit within the MoF’s Center for Education and Training to manage an overseas fellowship program designed to rapidly upgrade the professional capability of Ministry staff; initiation of a major graduate level education program for the Ministry emphasizing overseas training; and improvement of both national and international awareness of issues and alternatives relating to the role of tropical forest management in economic development through education, training and information dissemination activities.

The objectives were to be achieved through the implementation of three components:

1. **Component 1: Sustainable forest management research and development.** Two activities were to be carried out under this component: (a) establishment and support for the operation of the planned USAID-assisted forest management research and training station at Bukit Baka, West Kalimantan; (b) conduct of applied research.

2. **Component 2: Multi-purpose management of conservation and protection forests.** Two activities were to be conducted under this component: (a) the development and implementation of management plans for selected conservation forests, protection forests, and national parks; and (b) special studies on the improved management of conservation and protection forests.

3. **Component 3: Human resource development for sustainable forest management.** Activities that were to be implemented under this component: (a) professional development of MoF staff through overseas graduate and post-graduate courses, and in-country graduate courses; and (b) short-term training programs (overseas and in-country), and (c) institutional development for improved training, seminars and conferences for Indonesian and international participants.

The project was designed as a cooperative effort of the Ministry of Forestry (MoF) of Indonesia, the United States Agency for International Development (USAID) and the International Tropical Timber Organization (ITTO). It consists of a set of activities that were to be implemented in close coordination and collaboration with the USAID-assisted Natural Resource Management (NRM) project in Indonesia. The mechanism for the collaborative implementation was set out in a Joint Implementation Plan.

The project was designed to be implemented in three phases: Phase I over a period of 3 years, Phase II over 2 years, and Phase III over 2 years, for a total planned implementation period of seven years¹.

¹ Actual implementation of all three phases was thirteen (13) years
Total project budget over the three phases was USD 11 million, with ITTO providing USD 10 million, and the Government of Indonesia providing a counterpart of USD 1 million.

2. Evaluation Purpose

This evaluation is ex-post in nature. The primary purpose of the evaluation is 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 contribution of the project towards ITTO's Objectives, Objective 2000 and the ITTO Yokohama Action Plan, and to draw lessons that can be used to improve similar projects in the future.

3. Scope of the Evaluation

The evaluation mission was composed of:

Mr. Ken Rodney (Team Leader)
Mr. Romeo Acosta (Consultant)

The evaluation mission was assisted by the former ITTO Resident Adviser for PD 89/90, Mr. M. Kuswanda.

The evaluation was undertaken from 01 June 2006 to 28 July 2006. Desk review of project-related documents and related materials was undertaken from 01 June 2006 to 09 July 2006; consultations with relevant staff of the Executing Agency (Ministry of Forestry) were held at MoF central headquarters in Jakarta; field visits to Bogor and West Kalimantan were undertaken on 17-22 July 2006. The preliminary report of the evaluation was presented to MoF staff on 24 July 2006 at MoF central headquarters. Further refinement of the evaluation report was undertaken on 25-28 July 2006 in Jakarta.

The evaluation consisted of the following processes:

1. Review of relevant project documents: Project Proposal and Approved Project Document; Project Work Plans; Project Implementation Reports; Reports of monitoring undertaken by ITTO Secretariat; Relevant documents of the ITTO Committee on Reforestation and Forest Management; Communications between the Executing Agency and ITTO Secretariat; Documentary outputs of the project, e.g., Training Manuals and Training Aids, Research Reports.

2. Interview with relevant senior officials and staff of MoF; interview with trainees (PhD, MS, short-term) funded by the project;

3. Interview with other relevant individuals/organizations: Project ITTO Resident Adviser; MoF field staff in Sintang and Pontianak, West Kalimantan, involved in project implementation; Local Government Authorities (Bupati) of Sintang Regency, West Kalimatan; Baramega Foundation in West Kalimantan.
The TOR of the evaluation provided for the following scope and focus of evaluation:

a) To analyze and assess:
1. The overall role and contribution of the project in light of sectoral policies, development programmes, priorities and requirements to achieve sustainable forest management in Indonesia.
2. The effectiveness of the project’s implementation and its effectiveness in promoting sustainable forest management, including the current status and roles of the trainees and their direct and indirect contributions towards the achievement of sustainable forest management.
3. The overall contributions of the trainees towards the achievement of sustainable forest management, via a survey of these beneficiaries and others.
4. The contributions of any specific studies in forestry-related disciplines prepared by the project’s beneficiaries/trainees towards the achievement of sustainable forest management in Indonesia.
5. The results and potential impact of applied research conducted by the project and/or its beneficiaries (if any) and its contribution to the overall knowledge as related to sustainable forest management.
6. The impact of project activities on the livelihoods of target populations.
7. The effectiveness of dissemination of project 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.
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.

b) Provide a synthesis to:
1. Assess the overall role and meaningful contribution of the project in achieving sustainable forest management (SFM) in ITTO Producer Member countries taking into account ITTO’s objectives, Yokohama Action Plan, and Objective 2000.
2. Assess the potential and actual contribution of the project to ITTO’s SFM work.
3. Evaluate the overall impact on and relevance of the project for the forestry and environmental authorities, Executing Agencies, the forest industry and conservation sector and local communities being served and the country.
4. Evaluate the overall attainment of the objectives and assess the overall effectiveness of the project.
5. Evaluate the overall appropriateness of the costs and cost structure and use of resources within the project.

And make recommendations on:

1. The needs for similar projects in the future.
2. The objectives of such future projects.
3. Innovative approaches/designs for projects aimed at training nationals in SFM.
4. Appropriate target groups, e.g. countries, government, organizations, educational institutions, forestry sector, local communities, etc.
5. The organizational arrangements of the projects.
6. Follow-up and evaluation practices.
7. Supplemental, alternative activities, processes, procedures, and/or follow-up programmes in the field of SFM training, if appropriate.

4. Conclusions of the Evaluation

Project 89/90 has produced significant human resources, research results, and training material to add to the pool of resources for SFM, both in Indonesia and the international community. These resources have high potential contribution to the achievement of SFM in Indonesia if other enabling conditions (e.g., appropriate policy environment and institutions) are put in place. For producer member countries, the research and training material would be very useful if these were translated into the ITTO official languages and made easily accessible. The project has meaningfully contributed to advancing the processes to achieve ITTO's objectives, to the goals for Reforestation and Forest Management in the Yokohama Action Plan, and to ITTO Objective 2000.

The outputs of the project would be highly useful to the Indonesia Ministry of Forestry and its various agencies for policy development work, forest management operations, and the management of protected and conservation areas.

In terms of the attainment of project objectives, the various components are variously rated thus: fully successful in the attainment of the objective on human resource development; moderately successful for the research and development component, and partially successful for the nature conservation component. As a whole the project may be considered effective in assisting Indonesia move forward in its SFM efforts. The project also has potential to contribute to the international initiatives on SFM if the resources produced by the project are made accessible to the international community, particularly to ITTO producer members countries.

The cost structure of the project was appropriate. The actual costs of implementation for each component and activity had varied widely over the 13-year implementation period. However, this was mainly due to the wide fluctuations in the value of the Indonesian rupiah at the time when the country
faced severe economic stress. In general the resources of the project have been judiciously used, although with some weaknesses, as for example, the inadequate internal control noted by the Independent Auditor, and the mis-directed transfer of funds in 2000 and 2001 by the Regional State Treasury, Samarinda (although these were eventually restituted to the project account).

5. Recommendations

1. This project has aptly called attention to the wide range of needs that have to be fulfilled in order for SFM to progress, particularly for ITTO producer member countries. The three project components - research and development, nature conservation and human resources development – are areas which future project work should be supported, both by ITTO and other multi-lateral assistance organizations. Such projects should focus more on developing the “soft” resources, e.g., building up the human resources of stakeholder organizations for SFM, and building the capacities of institutions and stakeholder groups to further develop resources to implement SFM.

2. The target groups of future project work is also wide-ranging: forestry agencies, other government agencies whose mandate impinge on the forest resources, the private forestry industry sector, forestry educational institutions, local governments, local communities and indigenous peoples, etc. Because of the wide range that needs to be supported, some system of determining priorities for assistance to countries should be arrived at. This prioritization should be guided by medium- and long-term SFM plans of countries. The National Focal Points of ITTO may need to initiate this prioritization within their respective countries.

3. Human and physical resources generated by SFM-related projects, such as PD 89/90, have enormous multiplier effects provided that these resources are deliberately channeled to SFW work in the recipient countries. There is a need to evaluate how such resources developed through ITTO support have been utilized, and how effective these resources have been in contributing to the attainment of SFM, both in countries, and at the global level.
Part II: MAIN REPORT

1. Project context

Description of the project

The project was initiated to address the need to achieve efficient management of the forest resources on Indonesia. It consisted of several activities in forestry research, the improvement of management of conservation and protection forests, and the development of human resources in forestry in Indonesia.

Project PD 89/90 (F): Sustainable Forest Management and Human Resources Development in Indonesia, was submitted to the 8th Session of the ITTC in Bali, Indonesia, in May 1990 by the Government of Indonesia.

The project was submitted in accordance with relevant Articles of the International Tropical Agreement (ITTA) of 1983 and supports Objectives c, e and h of Article 1, relating to research and development and to reforestation and forest management through training and field activities.

The project is linked to Objectives b, d, and e of paragraph 5 of Article 23 of the ITTA-1983 and is consistent with all the criteria in paragraph 6 of that Article. The project also addresses the responsibilities of the Organization detailed in paragraph 6 of Article 25 of the Agreement.

The project was designed as a cooperative effort of the Ministry of Forestry (MoF) of Indonesia, the United States Agency for International Development (USAID) and the International Tropical Timber Organization (ITTO). It consists of a set of activities that were to be implemented in close coordination and collaboration with the USAID-assisted Natural Resource Management (NRM) project in Indonesia. The mechanism for the collaborative implementation was set out in a Joint Implementation Plan.

The project was designed to be implemented in three phases: Phase I over a period of 3 years, Phase II over 2 years, and Phase III over 2 years, for a total planned implementation period of seven years.\(^2\)

Total project budget over the three phases was USD 11 million, with ITTO providing USD 10 million, and the Government of Indonesia providing a counterpart of USD 1 million.

Development objectives

The project’s development objectives are at two levels: international and national levels.\(^3\)

\(^2\) During implementation, Phase I had an actual duration of 6 years (April 1991 – February 1997), Phase II had a duration of 4 years (April 1997 – March 2001), and Phase III had a duration of 3 years (April 2001 – February 2004), for a total duration of 13 years.

\(^3\) Project document, PD 89/90 (F)
At the international level, the project was to contribute to global sustainable development through the improvement of policies and practices to enhance the economic efficiency of tropical forest management, especially through the dissemination and exchange of information concerning Indonesia’s experience in such efforts.

At the national level, the project was expected to contribute to the attainment of Indonesia’s sustainable economic growth through the development of policies and encouraging productive investments to enhance the economic efficiency of forest resources management.

**Specific objectives**

The project’s specific objectives are:

1. **Improved forest research.** To strengthen the capacity of the MoF’s Forest Research and Development Agency (FORDA) to program and manage forestry research in cooperation with the private sector and other government agencies on the sustainable management of forest areas; the generation of information for forestry policy analysis from the conduct of applied research and establishment of demonstration pilot activities on (a) sustainable natural forest management, and (b) the multiple-use management of protected/conservation areas.

2. **Improved management of conservation and protection forests.** To strengthen the ability at the MoF’s Directorate General for Forest Protection and Nature Conservation to prepare and implement management plans for selected protected and conservation forest areas; and the conduct of these activities as the basis for testing alternative management approaches and demonstrating strategies for enhancing economic returns from development-oriented conservation activities.

3. **Long-term human resources development and improved public awareness in topics related to tropical forest management.** To establish a unit within the MoF’s Center for Education and Training to manage an overseas fellowship program designed to rapidly upgrade the professional capability of Ministry staff; initiation of a major graduate level education program for the Ministry emphasizing overseas training; and improvement of both national and international awareness of issues and alternatives relating to the role of tropical forest management in economic development through education, training and information dissemination activities.

**Planned Outputs**

The development and specific objectives were to be achieved through the implementation of activities grouped under three project components, as follows:

1. **Component 1: Sustainable forest management research and development.** Two activities were to be carried out under this component: (a) establishment and support for the operation of the
planned USAID-assisted forest management research and training station\textsuperscript{4} at Bukit Baka, West Kalimantan; (b) conduct of applied research.

2. Component 2: Multi-purpose management of conservation and protection forests. Two activities were to be conducted under this component: (a) the development and implementation of management plans for selected conservation forests, protection forests, and national parks; and (b) special studies on the improved management of conservation and protection forests.

3. Component 3: Human resource development for sustainable forest management. Activities that were to be implemented under this component: (a) professional development of MoF staff through overseas graduate and post-graduate courses, and in-country graduate courses; and (b) short-term training programs (overseas and in-country), and (c) institutional development for improved training, seminars and conferences for Indonesian and international participants.

Work plan

The project was expected to begin in 1991\textsuperscript{5} and would extend for a period of seven years, implemented over three phases: Phase I for 36 months\textsuperscript{6}, Phase II for 24 months, and Phase 3 for 24 months. In Phase I, emphasis was to be placed on initiating and strengthening the MoF’s capacity to manage the long-term overseas training program for Ministry staff, to establish the forestry research and training facility at Bukit Baka Station in West Kalimantan, to conduct priority studies related to the management of conservation and protected areas, and to conduct workshops and seminars on current issues and options regarding the management of tropical forests.

During Phases II and III, the human resources development program was to be accelerated alongside a greater emphasis on in-country training, more problem-specific seminars and other education programs.

Required inputs

At project inception, the required budgets for the three planned phases of the project were as follows (units in USD ’000):

\textsuperscript{4} ITTO PD 89/90 and USAID/NRM project were intended to complement each other and were to be implemented in a parallel manner. Complementation and cooperation in various project components were laid out in the Joint Implementation Plan for the Natural Resources Management (NRM) and the Sustainable Forest Management (SFM) Projects.

\textsuperscript{5} Actual commencement was on 01 April 1991 after the project agreement was signed in February 1991.

\textsuperscript{6} Actual duration for Phase I was 56 months.
### Sustainable Forest Management and HRD in Indonesia

<table>
<thead>
<tr>
<th>Project component</th>
<th>ITTO</th>
<th>GOI</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
</tr>
<tr>
<td>(1) Forest</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>management research and development</td>
<td>400</td>
<td>200</td>
<td>150</td>
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<tr>
<td>a. Management and Policy Studies</td>
<td>100</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td>b. Research and Training Station</td>
<td>300</td>
<td>100</td>
<td>100</td>
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<tr>
<td>(2) Multi-Purpose Management of Conservation and Protection Forests</td>
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<td>200</td>
<td>150</td>
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<tr>
<td>a. Management and policy Studies</td>
<td>100</td>
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<tr>
<td>b. Management Plans</td>
<td>150</td>
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<td>(3) Human Resources Development for HRD</td>
<td>2,450</td>
<td>2,150</td>
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<td>a. Overseas Training</td>
<td>1,750</td>
<td>1,550</td>
<td>1,550</td>
</tr>
<tr>
<td>b. In-country Training and Meetings</td>
<td>450</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>c. Workshops and Conferences</td>
<td>250</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>(4) Overall Project Management and Contingencies</td>
<td>700</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>a. ITTO Staff and Monitoring</td>
<td>450</td>
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<td>b. Contingencies and Other Costs</td>
<td>250</td>
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<td><strong>Total</strong></td>
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2. **Evaluation scope and focus**

The primary purpose of the evaluation is 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 contribution of the project 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.
Scope and focus of the evaluation

a) Analyze and assess:
1. The overall role and contribution of the project in light of sectoral policies, development programmes, priorities and requirements to achieve sustainable forest management in Indonesia.
2. The effectiveness of the project’s implementation and its effectiveness in promoting sustainable forest management, including the current status and roles of the trainees and their direct and indirect contributions towards the achievement of sustainable forest management.
3. The overall contributions of the trainees towards the achievement of sustainable forest management, via a survey of these beneficiaries and others.
4. The contributions of any specific studies in forestry-related disciplines prepared by the project’s beneficiaries/trainees towards the achievement of sustainable forest management in Indonesia.
5. The results and potential impact of applied research conducted by the project and/or its beneficiaries (if any) and its contribution to the overall knowledge as related to sustainable forest management.
6. The impact of project activities on the livelihoods of target populations.
7. The effectiveness of dissemination of project 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.
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.

b) Provide a synthesis to:
1. Assess the overall role and meaningful contribution of the project in achieving sustainable forest management (SFM) in ITTO Producer Member countries taking into account ITTO’s objectives, Yokohama Action Plan, and Objective 2000.
2. Assess the potential and actual contribution of the project to ITTO’s SFM work.
3. Evaluate the overall impact on and relevance of the project for the forestry and environmental authorities, Executing Agencies, the forest industry and conservation sector and local communities being served and the country.
4. Evaluate the overall attainment of the objectives and assess the overall effectiveness of the project.
5. Evaluate the overall appropriateness of the costs and cost structure and use of resources within the project.
And make recommendations on:

1. The needs for similar projects in the future.
2. The objectives of such future projects.
3. Innovative approaches/designs for projects aimed at training nationals in SFM.
4. Appropriate target groups, e.g. countries, government, organizations, educational institutions, forestry sector, local communities, etc.
5. The organizational arrangements of the projects.
6. Follow-up and evaluation practices.
7. Supplemental, alternative activities, processes, procedures, and/or follow-up programmes in the field of SFM training, if appropriate.

**Duration of the evaluation and mission members**

The evaluation was conducted in June-July 2006; field visits in Indonesia were undertaken on 10-25 July 2006.

The evaluation mission was composed of:
- Mr. Ken Rodney (Team Leader)
- Mr. Romeo Acosta (Consultant)

The evaluation mission was assisted by the former ITTO Resident Adviser for PD 89/90, Mr. M. Kuswanda.

**3. Evaluation methodology**

The evaluation was undertaken from 01 June 2006 to 28 July 2006. Desk review of project-related documents and related materials was undertaken from 01 June 2006 to 09 July 2006; consultations with relevant staff of the Executing Agency (Ministry of Forestry) were held at MoF central headquarters in Jakarta; field visits to Bogor and West Kalimantan were undertaken on 17-22 July 2006. The preliminary report of the evaluation was presented to MoF staff on 24 July 2006 at MoF central headquarters. Further refinement of the evaluation report was undertaken on 25-28 July 2006 in Jakarta.

The evaluation consisted of the following processes:

1. Review of relevant project documents: Project Proposal and Approved Project Document; Project Work Plans; Project Implementation Reports; Reports of monitoring undertaken by ITTO Secretariat; Relevant documents of the ITTO Committee on Reforestation and Forest Management; Communications between the Executing Agency and ITTO Secretariat; Documentary outputs of the project, e.g., Training Manuals and Training Aids, Research Reports.
2. Interview with relevant senior officials and staff of MoF; interview with trainees (PhD, MS, short-term) funded by the project;
3. Interview with other relevant individuals/organizations: Project ITTO Resident Adviser; MoF field staff in Sintang and Pontianak, West Kalimantan, involved in project implementation; Local Government Authorities (Bupati) of Sintang Regency, West Kalimatan; Baramega Foundation in West Kalimantan.

4. Findings

The actual implementation of the project spanned almost twice (13 years) the planned duration (7 years). Phase I had an actual duration of 6 years (April 1991 – February 1997), Phase II had a duration of 4 years (April 1997 – March 2001), and Phase III had a duration of 3 years (April 2001 – February 2004), as shown in Annex 6.

The project faced difficulties at start-up. Although the Implementation Agreement for Phase I was signed on 13 February 1991, the actual project start was more than a year after, in April 1992. The 1-year period was used up in developing the Memorandum of Agreement between MoF, ITTO and USAID for the joint implementation of the project, the development of a work plan and a budget plan, which had to be approved by ITTO, USAID and the National Development Planning Board (BAPPENAS), the organization of a Project Management Group, and the actual availability of funding after complying with the requisites of the Indonesian DIP budget system. The operation of the project throughout Phase I was beset with problems brought about by the perceived rigidity of the DIP budget system, among others. This situation carried on into Phase II.

In Phase I and II project funds were channeled to the Government of Indonesia through a Special Account at the Bank of Indonesia. Fund withdrawals are carried out by the Directorate General of Budget (of the Ministry of Finance) and disbursed by the Regional Office of the State Treasury, in which a project activity is located, to the ITTO project officers. This roundabout way of funds disbursement was detrimental to the timely implementation of project activities. “The causes of (delay) were varied, from consistent typing errors, wrong allocation of funds to other destination cities (or other government agencies/projects), incomplete instructions, strict adherence to rules which caused rigidities and an inability to adapt to changing circumstances, misunderstanding of project procedural activity by project officials, human errors in transfer of funds which caused months of delay in their disbursement, frequent changes of officials in charge (of project components) which made it necessary to re-explain field conditions, and slow reaction to changes caused by fluctuations in (currency exchange) values.”

This problem was addressed in Phase III when the direct payment system was finally resorted to. Funds from ITTO were transferred to the a bank account managed by the ITTO Resident Adviser, who then directly disbursed

7 Such erroneous withdrawals occurred in 1999 (USD 52,982.11) and 2000 (USD 2,359.89) by the Regional Office of the State Treasury, Samarinda. These amounts were eventually restituted to the ITTO project account. Ref: Management Letter of Independent Auditor, 28 March 2001

8 Hunter, L. Report of the consultant on PD 89/90 (F), September 1999
the funds to the implementing agencies based on workplans and contracts approved by the MoF.

Other situations that adversely affected project implementation are elucidated in subsequent sections below.

Actual outputs

Over the 13-year project implementation period, the following outputs were achieved:

Component 1: Sustainable forest management research and development.

1. Establishment of the Kaburai [Biodiversity] Research and Training Center near the village of Kaburai, Bukit Baka, Central Kalimantan. It was constructed in an area adjacent to the BB/BR NP\(^9\) accessible, through the main road, and near Camp 54, of a forest concession – PT Sari Bumi Kusuma (PT SBK) – adjoining the national park (although the access to the PT SBK concession itself was through Sintang, West Kalimantan, about 6 hours by land and water travel). The Center consists of the following facilities: a main building for offices, library, a wet- and dry-laboratory; housing units for staff and researchers; training hall and dormitory for trainees, nursery facilities and a water tower. A mini-hydroelectric power plant was built through the USAID-NRM project (although this power plant was rendered inoperable even before the Center was fully established).

2. The following research were undertaken:
   a. Study of the Indonesian Selective Logging and Planting System (TPTI), by Samarinda Research Institute in collaboration with the University of Mulawarman, East Kalimantan.
   b. The Role of Community Participation in Concessions Management (PMDH), by Samarinda Research Institute in collaboration with the University of Tanjungpura, West Kalimantan.
   c. Biodiversity Inventory of the Tropical Rainforest in Bukit Baka – Bukit Raya National Park, by Samarinda Research Institute in collaboration with the University of Palangkaraya, Central Kalimantan.
   d. Development of Biodiversity Indicator in Bukit Baka – Bukit Raya National Park, by Samarinda Research Institute in collaboration with the University of Palangkaraya, Central Kalimantan.

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\(^9\) Bukit Baka/Bukit Raya National Park in West and Central Kalimantan, Indonesia
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Samarinda Research Institute in collaboration with the University of Mulawarman, East Kalimantan.

f. Research on Criteria and Indicators for SFM, in which the following technical reports and guidelines were produced:
   i. Research Design on Criteria and Indicators for Sustainable Forest Management
   ii. Evaluation Result of Problems in the Response of Forest Enterprise Units to C&I for SFM
   iii. Guidelines on Evaluation and Field Data Collection on C&I for SFM
   iv. Result of Establishment of Field Test Plots for C&I for SFM
   v. Verifiers and Methods of Verification on C&I for SFM
   vi. Manual on Verification of Field Data on C&I for SFM

g. Research on Forest Fires, in which the following technical reports were produced:
   i. Forest Fire Impact and Prevention
   ii. Forest Fire Management and Rehabilitation
   iii. Forest Fire Prevention with Indigenous Knowledge
   iv. Training and Extension in Forest and Land Fire Prevention

Component 2: **Multi-purpose management of conservation and protection forests.**

1. Formulation of the Forest Management Plan for Limited Production Forests for the concession area of PT Kurnia Kapuas Plywood (PT KKP). However, this management plan was not approved for implementation. The concession of PT KKP was eventually withdrawn, and the concession area reverted to the status of Protected Area.
2. The Management Plan for the BB/BR NP was formulated through the USAID/NRM project. However, this plan was not officially approved and adopted for implementation.
3. The project organized the International Conference on Biodiversity Conservation and Research in Southeast Asia in March 1997, towards the closing of Phase I.
4. A framework Participatory Management Plan for the Buffer Zone of the BB/BR NP was formulated towards the last stages of Phase III.
5. A multi-stakeholders’ forum – the Baramega Foundation - was organized during Phase II to serve as the medium for participation and involvement of the various sectors in the development and management of the National Park.

Component 3: **Human resource development for sustainable forest management**

1. Completed overseas graduate and post-graduate studies
   a. Eight (8) Ph. D. graduates from overseas universities (Annex 1)
b. Nineteen (19) Masteral degree graduates from overseas universities (*Annex 2*)

2. In-country graduate studies
   a. Thirty-one (31) Masteral degree graduates from Indonesian universities (*Annex 3*)

3. Overseas short-term training
   a. Eleven (11) persons were sent to 9 overseas short-term training courses, with a total of 274 person-days training (*Annex 4*)
   b. Training courses attended:
      i. Community-based tourism (2 participants)
      ii. Management for sustainable resource development and environmental protection (2 participants)
      iii. Development of national forest policies and strategies (1 participant)
      iv. Participatory forest resource assessment (2 participants)
      v. Monitoring and evaluation for successful projects and programs (1 participant)
      vi. Forest management and biodiversity (1 participant)
      vii. Training delivery skills course (1 participant)
      viii. Forest products marketing (1 participant)
      ix. Biotechnology for sustainable forest development (1 participant)

4. In-country short-term training
   a. 523 persons trained, with a total of 8,819 person-days training (*Annex 5*)
   b. Training courses organized by CFET in Phase II:
      i. Identification of tree species and natural forest associations
      ii. Forest management and concepts of biodiversity
      iii. Management of ecotourism
      iv. Training of trainers in the design of training
      v. Geographic Information Systems
      vi. Agroforestry
      vii. Forestry extension management
      viii. Community-based tourism
      ix. Facilitation for community forestry development
   c. Training manuals produced:
      i. Field guidelines on the identification of wood species
      ii. Guidelines on forest trees identification
      iii. Forest tree seedling production techniques
      iv. Introduction to forest regeneration
      v. Training of trainers for training design
      vi. Agroforestry
      vii. Geographic information systems
      viii. Forestry extension management
      ix. Community-based tourism
   d. Training courses organized by CFET on C&I in Phase III:
i. Training on C&I for SFM on Environment and Social Aspects (I); Pekanbaru Forest Education and Training, 15-29 April 2002 (15 participants)

ii. Training on C&I for SFM on Production Management Aspect (I); Pekanbaru Forest Education and Training, 15-29 April 2002, (17 participants)

iii. Training on C&I for SFM on Environment and Social Aspects (II); Samarinda Forestry Education and Training, 11-25 June 2002 (22 participants)

iv. Training on C&I for SFM on Production Management Aspect (II); Samarinda Forestry Education and Training, 11-25 June 2002 (22 participants)

e. Training courses organized through CFET on Forest Fires in Phase III:

i. Training of Trainers on Forest Fire Prevention; Center for Forestry Education and Training, Bogor, 1-27 February 2002 (20 participants)

ii. Training on Forest Fire Prevention for Forest Extension Workers; Center for Forestry Education and Training, Bogor, 14-28 February 2002 (21 participants)

iii. Training on Forest Fire Prevention for Forest Guards; Center for Forestry Education and Training, Bogor, 14 February -6 March 2002 (19 participants)

iv. Training on Management of Forest Fire Prevention; Samarinda Forestry Education and Training, 12-26 March 2002 (20 participants)

v. Training on Forest Fire Prevention for Communities; Berbak National Park, Jambi, 18 March – 2 April 2002 (20 participants)

vi. Training on Management of Forest Fire Prevention for Forest Concessions (I); Pekanbaru Forestry Education and Training, 15-29 April 2002 (21 Participants)


viii. Training on Management of Forest Fire Prevention for Forest Concessions (II); Samarinda Forestry Education and Training, 17-31 July 2002 (20 participants)

ix. Training on Forest and Land Fire Prevention; Mulawarman University, Samarinda, 3-5 September 2002 (40 participants)

5. The project organized two workshops conducted at CFET in Phase II:

a. Agroforestry training material development for extension workers
b. Developing project proposals for international cooperation

6. Two training needs assessment were undertaken in Phase II:
   a. Forest fire prevention
   b. National park management

7. Related material and training reports produced:
   a. Proceeding of the Workshop on Training Needs Assessment on C&I for SFM for the Government Sector
   b. Report on Training Needs Assessment for C&I for SFM for the Government Sector at the District Level
   c. Main Training Material on C&I for SFM
   d. Supporting Training Material on C&I for SFM on Production Management Aspect
   e. Supporting Training Material on C&I for SFM on Environment and Social Management Aspect
   f. Training Module on C&I for SFM on Production Management Aspect
   g. Training Module on C&I for SFM on Environment and Social Management Aspect
   h. Teaching Aids for Training on C&I for SFM
   i. Training Module on Training of Trainers on Forest Fire Prevention
   j. Training Module on Forest Fire Prevention for Forest Extension Workers
   k. Training Module on Forest Fire Prevention for Communities
   l. Training Module on Forest Fire Prevention for Forest Guards
   m. Training Module on the Management of Fire Prevention
   n. Training Module on the Management of Fire Prevention for Forest Concessions
   o. Training Module on the Management of Fire Prevention for Non-Government Organizations
   p. Teaching Aids for Training on Forest Fire Prevention

1. On the Research and Development Component

A major output identified at the project proposal stage was the establishment of a forest management research and training station in Bukit Baka, West Kalimantan within, or adjacent to the BB/BR NP. The buildings and other physical facilities were to be funded out of ITTO project funds; research equipment, including a mini-hydropower facility, were to be provided by the USAID/NRM project. The research and training station was to be jointly used by both projects as a base for undertaking R & D and training activities planned under each respective project.

Almost half of the duration of the whole project - from 1992 to 1997 - was spent addressing the problems that faced the construction of what was to become the Kaburai Research and Training Center. This activity had to contend with the following problems: (i) The Center was planned to be located within the provincial jurisdiction of the Central Kalimantan provincial
government hence all permitting, contracting, and commissioning activities for construction had to be done in Palangkaraya, Central Kalimantan. However, the access to the location was through West Kalimantan, and there is no direct transportation between the centers of the two provinces (Palangkaraya, Central Kalimantan and Pontianak, West Kalimantan); (ii) Even when the construction contract has been finally awarded to a contractor based in Central Kalimantan, the construction was not completed; the contractor eventually pulled-out without completing the contract because of difficulties of access to the site and the high cost and logistical requirements of transporting construction material to the construction site. The station was finally constructed through direct implementation by the ITTO project with support from PT SBK, the forest concession holder within whose area the station was finally located.

Even while the station was not yet completed, the USAID/NRM project, in keeping up with its own work plan, proceeded to construct the mini-hydropower facilities for the station. By the time the station was finally constructed the power facilities have been damaged by fallen trees and flood, and thus became non-operational. The power facility was never repaired and put to use. Likewise, because of the long delay in setting up the physical facilities for the station by the ITTO project, the funds previously allocated for research equipment by NRM were reallocated to something else. The ITTO project eventually had to reallocate funds for provision of the needed equipment.

The research and training station was used in 2001 and 2002 for several activities such as training on propagation technique of Dipterocarp species and silviculture research techniques for Dipterocarp species producing *tengkawang* nut. Due to the delay of budget allocations in the years 2003 and 2004, the station could not function very well, particularly for training purposes. The facilities now need to be repaired and renovated because of several damages. At the time of evaluation in July 2006, the Station was practically abandoned and deteriorating; there were no staff manning the station. The equipment were eventually transferred to the FORDA headquarters in Samarinda and the research office in Pontianak; some equipment were reported stolen before these could be moved from the station.

Several options to revive and put the station back to operational status are being evaluated: (i) to transfer jurisdiction over the station from the research agency (FORDA) to the Bukit Baka/Bukit Raya National Park; however, the BB/BR NP staff are reluctant to take over responsibility unless funds for the maintenance and operation of the station are assured and made available in their own annual budget; (ii) turn over the station to the Central Kalimantan provincial government for the latter’s use; (iii) consider an arrangement for the PT SBK to use the station for its R & D work. However, PT SBK already has

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10 *Shorea sp.*; international trade name: illipe nut
11 Additional information provided by FORDA at exit conference
its own forest research and development facilities and is undertaking its own R&D work in support of its own corporate objectives.

At the time of evaluation several programs were being planned in Sintang and Samarinda research offices to be implemented from the Kaburai Station, such as: monitoring of the 15 TPTI research plots covering 15 hectares which were established under the project; investigation of the ecosystem management practices by local communities; transfer of technology on developing *gaharu*\(^{12}\) and *rotan*\(^{\text{13}}\) to communities, companies and other stakeholders. All these programs will use the Kaburai research station as base of activities (if and when the Station is rehabilitated and operating funds made available). In addition, for the year 2007 several programs have been set up, such as the construction of the research sub-office at Sintang to handle the research programs and to supervise the Kaburai research station. A budget of Rp 300 million and allocation of more research personnel have been committed\(^{14}\).

Despite the setbacks of the research component in Phase I, work undertaken in Phase II and III are very relevant to, and significantly advance, the state of knowledge on SFM in Indonesia and in the international community. During the project proposal stage the fields of research to be covered were not very specific. In the end, the research areas that were eventually covered reflected the recognition, during project implementation, of which areas needed to be focused on. The project undertook research on the Indonesian Selective Cutting and Planting System, an area which still needs further exploration in order to better understand the dynamics of the Indonesian tropical forest under production systems. The project went further, apparently in response to the emerging needs at the national and international policy levels, to cover the complex requirements for Sustainable Forest Management. The research component covered community participation in forest management, and a biodiversity inventory of the BB/BR NP.

In response to Indonesia’s commitments to ITTO Objective 2000 and the international initiatives on sustainable forest management, the project undertook research on the Criteria and Indicators for SFM, looking into the various aspects of C & I: response of forest management units to the C&I; and verifiers and methods of verification for C&I in the Indonesian context.

In response to the massive forest and land fires and the resulting haze in Kalimantan in 1997/1998, the project correctly focused part of its research resources on the issues of forest and land fires, including the participation of communities, forest concession holders, and other sectors in forest fire management and prevention.

2. **On the Nature Conservation Component**

The complementary relationship between the ITTO/SFM and the USAID/NRM projects would have provided a starting point for the leveraging of resources

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\(^{12}\) *Aquilaria sp.*, (Agarwood)

\(^{13}\) Rattan

\(^{14}\) Information provided by FORDA at exit conference
in such a manner as to produce better quality and higher-impact outputs than if the projects were implemented independent of each other. However, differences in the administrative arrangements between the two projects (work contracting, financing mechanisms, commissioning of experts, etc.) precluded a long-lasting complementation, with each project going separate ways in the end. The progress of the NRM project activities was much faster than that of the ITTO project. NRM’s financial procedures were more flexible; for example, NRM was able to directly hire long- and short-term expertise from overseas. The ITTO project could not move as fast and as flexible because it had to follow the budgeting and funds release system of the government. There were also differences in the levels of knowledge and experience between the USAID/NRM experts and the ITTO project staff, the latter being more junior and less experienced. Also, expatriate experts were not prepared to accept the fees offered by the ITTO project through the DIP system, as approved by the National Development Planning Board15.

The two management plans produced by ITTO/SFM and USAID/NRM could have been used as models for ground-breaking management systems in limited production forests and in the management of nature conservation areas. The plan for PT Kurnia Kapuas Plywood, formulated by the ITTO SFM project, for the management of a concession in limited production forests would have had significant impacts on the Indonesian Selective Cutting and Planting System and on the management of concessions within the framework of SFM. The Management Plan for BB/BK NP, formulated by the NRM project, would have provided a framework for implementing the complex activities of managing extensive nature conservation areas under conditions common in most developing countries.

The Management Plan for PT Kurnia Kapuas Plywood, a forest concession authorized to operate in a limited production forest adjacent to the BB/BR NP in the West Kalimantan side, was completed in 1994 and submitted to the MoF for approval. However, the management plan was formulated by the Nature Conservation component of the project, nominally under the MOF’s Directorate of Forest Protection and Nature Conservation. On the other hand, forest concession management plans are under the jurisdiction of another MoF directorate – the Directorate of Forest Utilization. The dilemma was that the PT KKP was then already working under a standard TPTI management plan approved by the Directorate for Forest Utilization. “The two plans (were) in some areas conflicting, in particular, concerning the intensity of harvesting where (the) ITTO project management plan is more restrictive… As long as there is no legal basis to enforce the ITTO project management plan the concessionaire will continue to work according to the standard TPTI plan.”16

15 ITTO document PCF(XIX)/12, October 4, 1996: Sustainable Forest Management and Human Resources Development in Indonesia (PD 89/90(F)), Phase I
16 Review Mission Travel Report: Observations and recommendations by Svend Korsgaard, 4-9 March 1996
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The NRM project encountered difficulties in finalizing the Management Plan for the BB/BR NP\(^{17}\) and the ITTO project proceeded implementing the Nature Conservation component without the NRM project plan. The planned 70 km. forest trail along the border of the national park was established, the Visitor Center at Sintang, West Kalimantan and a Visitor’s Lodge near the BB/BR national park, were constructed. The Visitor Center at Sintang was eventually used as the office of the BB/BR NP until the latter was able to construct an office of its own. The Center was then used, for some time, as the office of the Baramega Foundation (organized through the efforts of the project in Phase II). At the time of evaluation, the Center was in a state of disrepair; it was being only used as a stockroom and sleeping quarters for transient field personnel of BB/BR NP.

The Visitor’s Lodge was no longer accessible at the time of evaluation; there was no information on the state of the lodge. Because of the funding constraints that have plagued the BB/BR NP, the Lodge and the 70 km. trail are assumed to be in a state of disrepair and deterioration.

The ITTO/SFM project was eventually able to formulate, in 2003, the **Collaborative Management Plan of Bukit Baka - Bukit Raya National Park Buffer Zone**, essentially a framework plan setting out the issues to be considered and strategies that would be pursued for the management of the BB/BR NP buffer zone.

3. **On the Human Resource Development Component**

Based on the original project design, the training component was to be directly administered by the MoF’s Center for Forestry Education and Training. However, it was realized that difficulties would be encountered with the disbursement of matriculation and stipends for the overseas students in a timely manner. It was decided that the funds for overseas education should be disbursed in lump sum so that the activity could be contracted to a third party to manage the scholarship program. This change required a revision of the budget, a process which took one year to accomplish. The commissioning process for the contractor, the screening and selection of students, and the administrative arrangements to get these students admitted into overseas universities, took some more time. Thus, the overseas education program only took off officially at the beginning of fiscal year 1994/1995,\(^{18}\) well into year 3 of Phase 1.

A major threat to the successful implementation of this component was the economic situation that beset Indonesia during the project’s implementation period. ITTO funds – in US dollars - were channeled to a Special Account within the government financial system. The funds for the overseas scholarship program were converted to local currency, and reconverted to foreign currency for disbursement to the overseas students when needed. The fluctuations in the currency exchange rate for the Indonesian rupiah

\(^{17}\) The Management Plan for BB/BR NP was finally formulated in 1996; the plan was not officially accepted and approved by MoF.

\(^{18}\) Project Completion Report, Phase I, p. 33
resulted in currency exchange differentials between the conversion from USD to rupiah and back to US dollars, such that towards the later part of the program, additional funds had to be allocated to cover the differentials.

Despite the initial difficulties encountered by the HRD component, in the end the graduate and post-graduate studies component of the project may be considered as highly successful, and with high long-term potential contribution to advancing SFM in Indonesia. The project successfully supported 8 PhDs and 50 MS graduates. The PhD graduates are now in strategic management positions in the MoF and in relevant international organizations (Conservation International, Center for International Forestry Research). The MS graduates are also in strategic middle-level positions within the various agencies of the MoF.

The short-term training courses, both overseas and in-country, further contributed to the advancement of human resources for SFM in the country. A total of 531 MoF staff attended these courses, for a total of 9,093 person-training-days.

One of the specific objectives which the human resource development component was supposed to contribute to was “Long-term human resources development and improved public awareness in topics related to tropical forest management.” There is no indication, however, of any major activity undertaken for the improvement of awareness of the general public (outside of government and the NGOs directly involved in the project) on forests and forest management. The actual participation of local communities and indigenous peoples in forest management was not sufficiently addressed on the ground. The communities in and around Bukit Baka and Bukit Raya were consulted only to a limited extent during the preparation of the BB/BR NP management plan. With respect to the involvement of NGOs, there is no indication that NGOs were ever contacted in the course of implementation of Phase I. This was, however, addressed in Phase II when the multi-stakeholder forum was organized, with several NGOs involved, which eventually became the Baramega Foundation. This multi-stakeholder forum still exists, although functioning as a loose coalition of stakeholders in the BB/BR NP, now meeting irregularly.

The concerns of local communities, though, were given emphasis in the course of conducting the series of research on Forest Fire Management in Phase III. The following studies were conducted clearly with local communities and indigenous peoples in mind: (a) Identification of Dependence of Local People to Forest and Forest Products and Attitude Toward Forest Fire; (b) Development Strategy to Increase Forest Benefit to Local People in Protecting Forest; (c) Study on Actual Socio-Economic and Cultural Background of Burnt Forest Areas; (d) Critical Analysis of Community Related Policies for Fire Prevention; (e) Development of Forest Fire

19 Appendix 2 of ITTO document PCF(XIX)/9, 19 August 1996
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Prevention Strategies Involving Local Communities; and (f) Field Testing on Forest Fire with Indigenous Methods.\(^{20}\)

4. **Lessons Learned**

The overall role and contribution of the project in light of sectoral policies, development programmes, priorities and requirements to achieve sustainable forest management in Indonesia.

The Indonesian government mandated the adoption of sustainable forest management over state forests through Ministerial decrees number 576/Kpts-II/1993 and number 610/Kpts-II/1993. The project contributed to the capacity-building needs of the Indonesian forestry sector for SFM, particularly in support of MoF Decrees No. 4795/Kpts II/2002 and 4796/Kpts II/2002 concerning criteria and indicators for sustainable production forest management in forest management units, as well as Decision 34/Kpts/VI-Set/2002 of the Directorate General of Forestry Production concerning the technical guidelines for the performance assessment of FMUs on SFM.

The policy thrusts of the Indonesian government on forestry are\(^{21}\):

- Curbing of illegal logging and related trade
- Forest replanting and rehabilitation
- Prevention and management of forest and land fires
- Restructuring the forest industries
- Management of the decentralization (of forest management) process

The research and development component of the project was relevant to the policy thrusts on forest rehabilitation and management of forest and land fires. The nature conservation component was partly relevant to the thrust on forest rehabilitation; in its later stages this component contributed to the management of the decentralization process through the involvement of local governments, NGOs and local communities in the development of a framework for collaborative management of the BB/BR NP buffer zone. The human resource component cuts across all the policy thrusts.

The effectiveness of the project’s implementation and its effectiveness in promoting sustainable forest management, including the current status and roles of the trainees and their direct and indirect contributions towards the achievement of sustainable forest management.

The administrative mechanisms for coordinating project implementation were not sufficient, especially during Phase I. The three project components were implemented practically independent of each other with each component being administered by a Project Leader from the agency implementing each component (FORDA (Samarinda) for the research component, Bukit, Baka/Bukit Raya National Park Office (Pontianak) for the nature conservation component, and CFET (Bogor) for the human resource development.

\(^{20}\) Final Report on the Subcomponent Research in Fire Management, Phase III

\(^{21}\) Completion Report Phase III, p. 98
component). In most cases the project leader was also concurrently handling other responsibilities in his/her agency in addition to the responsibility for the project component. The central coordination was provided by a Project Management Committee (later, the Project Steering Committee), but this group met only every 6 months, and its role was to review project progress and decide on project operations policy. In practice, inter-component coordination was done by the ITTO Resident Adviser but his authority was limited to overseeing the disbursement of ITTO funds and doing liaison work between the ITTO Secretariat, the MoF and the implementing agencies. It was only towards the late stages of Phase III that the resident adviser was given more authority by the PSC to handle operational matters across components.

For such a complex and long-running project as PD 89/90, a full-time project management organization at MoF headquarters was essential. Such an organization could have guided the strategic directions and coordinated the operations of the different components. In this manner complementation between components would have been deliberately directed and more efficient usage of resources and manpower across components could have been achieved. Operational problems could have been detected early and addressed on a timely manner. The office of the Resident Adviser could have discharged this role if it was given the operational authority by the MoF and the appropriate staff.

The difficulties experienced by the project in conforming to the government DIP budget and financing system, especially at the start-up of Phase I, contributed to long delays which resulted in a cumulative slippage of six years. The research component and the scholarship program were particularly affected by these difficulties. A centrally-managed project that could cut through the bureaucratic procedures in the different MoF implementing agencies, as well as in the government finance ministry, would have reduced the delays caused by the financial system problems. The absence of a central management structure (aside from the PSC) also manifested in the weak internal control mechanisms for the financial management of the project. As late as 2001, the Independent Auditor commissioned to undertake the audit of the project called attention to this issue: “The project’s management in executing agencies have no internal control structure related with controlling under (the) Project Steering Committee…Those have caused the weakness of coordination in planning, conducting as well as reporting of financial data …between (the Project Steering Committee) with the executing agencies management.”

The problems that beset the project at the stage (in Phase I) when joint project implementation between the ITTO-SFM and NRM projects was envisioned, could have been addressed early on if such a central project management organization was in place.

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Despite these shortcomings in project organization, the results of the project may be considered to have **high potential** to contribute to the process for achieving SFM in Indonesia, **provided other enabling conditions are in place**, for the following reasons:

- The *human resource development component* has resulted in a significant number of trained personnel in MoF who are now in various levels of the MoF organization nationwide. This pool of developed skills and knowledge, if properly directed and utilized, could move SFM in the country forward. The training material developed by the project are very valuable incremental contribution to capacity-building for SFM in the country.

- The *research and development component*, despite the initial difficulties at start-up, has resulted in many baseline studies on the resources of the BB/BR NP, on the Indonesian Selective Cutting System, on C & I, on forest and land fires, and on local community involvement. Further studies, building on these baseline studies, could immensely contribute to improving the state of knowledge for SFM.

- For the *nature conservation component*, the investment in the Kaburai Station could help in further developing SFM provided, that the station is renovated, properly maintained and fully utilized. It is strategically located, being adjacent to a big forest conservation area and a forest concession production area. The framework plan for collaborative management of the BB/BR NP buffer zone, developed in Phase III, and the organization of the Baramega Foundation, are important steps towards putting in place the institutional arrangements for management of protected areas.

The contributions of any specific studies in forestry-related disciplines prepared by the project’s beneficiaries/trainees towards the achievement of sustainable forest management in Indonesia.

The outputs of the research and development component are major contributions to the state of knowledge on SFM in Indonesia (see item *Actual Outputs* above). The theses of the doctorate and masteral degree scholars of the project are likewise important contributions to this state of knowledge.

The results and potential impact of applied research conducted by the project and/or its beneficiaries (if any) and its contribution to the overall knowledge as related to sustainable forest management.

The outputs of the research and development component, as well as the theses of the project scholars, if properly utilized in the policy development process, and in the formulation of forest management guidelines in Indonesia, have significant potential contribution to SFM work in Indonesia.

The impact of project activities on the livelihoods of target populations.

There were no perceived impacts (positive or negative) on the livelihoods of the local communities in and around the BB/BR NP. However, the further
development of detailed management plans for the buffer zone of the national park, based on the developed framework collaborative management plan, will impact on these communities. Such potential impacts should be evaluated and addressed during the planning processes for the national park management.

**The effectiveness of dissemination of project results**

The various training material produced under the HRD component are available at the CFET in Bogor. Since these materials are focused on specific target groups, these are presumed to have been disseminated to the training offices under CFET and relevant agencies of MoF. Copies of these materials have been provided to ITTO, and are available to member countries. For the intangible results of HRD – the knowledge gained by the graduate and post-graduate students and beneficiaries of short-term training – the effectiveness of the dissemination of results can only be gauged by analyzing through time the extent to which these students/trainees are involved in the policy development processes and how their respective agencies employ their acquired skills and knowledge.

The results of the research and development component are with the FORDA. In like manner as in the HRD component, these are technical reports which are important in improving forest management practices. These could also be beneficial to other countries with similar conditions as Indonesia. These research results, however, are written mostly in Bahasa. Their usefulness to other like-situated countries would be limited unless translated to the ITTO official languages.

The results of the nature conservation component are more limited in focus – mainly for the MoF’s relevant agencies. The management plans formulated for the national park and for limited production forests, which were not adopted and implemented, are presumed to have had very limited circulation. It might be sensible to bring these out of the archives, revisit these, and possibly revise these to the appropriate form and substance useful for policy development and implementation of forest management. These should serve as working documents to develop workable plans for the BB/BR NP and for limited production forests in conservation areas.

**The overall post-project situation in the project’s area of influence.**

The post-project situation can be viewed at various levels: at the level of the MoF as a national agency, at the level of the local offices of MoF that implemented the project components, and at the level of the Bukit Baka/Bukit Raya National Park, including the Kaburai Research and Training Station.

At the national level, within MoF, the scholars of the post-graduate and graduate studies have returned to their posts or have been reassigned to other posts in the Ministry central headquarters and field offices. This pool of trained and skilled personnel constitutes an important resource of the Ministry.
Their acquired skills and knowledge should be put to use in the appropriate levels and offices of the organization.

The agencies and the field offices that implemented the various components of the project stand to gain from the experience acquired from the project implementation. The research outputs and the training materials generated are important resources for these offices. These generated outputs should be used as the basis of further work, for example, on the participation of communities in forest management, on improving the Indonesian Selective Cutting System, on establishing the final C & I for SFM for Indonesia, on forest and land fires management, and on further capacity-building for forestry stakeholders.

The national park and the Kaburai station need resources for effective management, in the case of the national park, and for operations and maintenance, for the station. Several options are still being explored for the rehabilitation and use of the station. There is interest expressed by the local government for their increased participation in the protection and management of the national park, although they admit that they need assistance and resources to acquire the capability to do so.23

The unexpected effects and impacts, either harmful or beneficial, and the reasons for their occurrences.

There were no apparent unexpected effects and impacts of the project.

The cost efficiency in the implementation of the project, including the technical, financial and managerial aspects.

As previously noted, the three components of the project were implemented independent of each other. This precluded the possibility of complementation of resources across components, and did not provide the process by which one component could have drawn on the outputs of the other components. For example, the graduates of the scholarship program in Phase I could have been tapped for the Phase III activities, e.g., development of training modules, setting out the field plots for the C&I research, and forest fire research. This was, in fact, recommended by the PSC in its meeting of 05 September 2000 but was not followed through.24

Resources were wasted over the plans that were developed but never approved, adopted and implemented. The PT Kurnia Kapuas plan, which would not have been implemented in the area anyway since the concession rights were eventually withdrawn, could still have had value if the findings and recommendations embodied in the plan were carried forward to develop national policies and guidelines for forest management in limited production forests. The BB/BR National Park plan could have been revisited and improved on after its initial rejection, until it became acceptable to government

23 Interview with Dr. Jarod Winarno, the regency head (Bupati) of Sintang, West Kalimantan
24 Proceedings of the PSC meeting, 05 September 2000
managers and stakeholders. As things stand, there is as yet no detailed management plan for the national park; what exists only is a framework plan for collaborative management of the buffer zone, not of the whole park itself.

An oversight in project administration was the failure to coordinate the project work with another related ITTO project being implemented in Indonesia during Phase III. This was PD 42/00(F): Training of Trainers for the Application of the National and the ITTO Criteria and Indicators for Sustainable Forest Management at the Forest Management Unit Level, implemented by APHI, the Association of Indonesian Forest Concession Holders [Asosiasi Pengusahaan Hutan Indonesia (APHI)] from June 2001 to September 2003. Harmonization and complementation of the research work in PD 89/90 and the studies on C&I on the ground in PD 42/00 would have had far better results for SFM in Indonesia in the long run. Each of the project contributed significantly to the attainment of SFM in Indonesia but collaboration and coordination between the two would certainly have been more productive and cost-effective.

The Project Steering Committees of both projects, wherein MoF and ITTO representatives were members, should have been able to see the close connection between the two projects at the beginning (of PD 89 Phase III and PD 42), and could have synchronized the implementation of both projects to complement and collaborate with each other. Substantial cost efficiencies for both projects would have been realized, not to mention the immense value of joint results coming out of such complementation and collaboration. This is a situation that the Committees of ITTO, the Expert Panel for Project Evaluation, and member countries should be on the lookout for in evaluating and implementing future projects.

Follow-up actions in order to enhance uptake of project results.

1. For the human resource development component, the CFET may undertake a study to determine where the university graduates are currently posted, the relevance of their posting vis-à-vis their fields of study, and the extent to which their acquired knowledge and skills influence policies and operations of MoF with respect to SFM. A similar study may also be undertaken for the beneficiaries of the short-term courses. CFET may use these studies to improve on the MoF’s human resource development and management programs. The theses of the university graduates should also be made available, through the web site of MoF/CFET and other means.

2. The results of the research and development component need to be translated and published in the official languages of ITTO. This will enable other member countries to benefit from these results.

3. In a similar manner, the training materials developed under the human resource development should be translated and published in the official ITTO languages.
4. The two management plans developed, but not implemented, under the nature conservation component may be revisited and reformulated. The Baramega Foundation need to be re-invigorated, and it should be assisted to access resources for its more effective operations vis-à-vis the national park.

The project’s relative success or failure; summary of the key lessons learnt; and issues or problems that should be taken into account in designing and implementing similar projects in the future.

The project was **fully successful** in the attainment of the objective on human resource development. Although the targeted number of overseas graduates than what was planned (owing to foreign currency exchange constraints), this was made up for with the by the number of MSc. graduates from Indonesian universities (made possible by more local currency made available when the Indonesian rupiah depreciated against the dollar). CFET has gained experience in developing and managing study programs and short courses.

The research and development component was **moderately successful**. The volume of research studies undertaken in the latter phases of the project gives credit to the component. However, much more meaningful results would have been realized if the studies on the Indonesian Selective Cutting System were pursued with more vigor; this system is central to the management of the production aspect of SFM in Indonesia and other similar-situated producer countries. Also, the failure to maintain and operate the Kaburai Research and Training station, which constitute a major investment of the project, is a setback to the component.

The nature conservation component, unfortunately, may be considered only as **partially successful**. The two major outputs – the plan for limited production forest and the management plan for the BB/BR national park - were vital outputs expected of the project. Substantial work and resources were expended on these outputs but the final products were not eventually used. The infrastructure which the component invested in (Visitor’s Center, Visitors’ Lodge, 70 km. observation trail) have all fallen in disrepair, translating to significant loss in the potential benefits that could have accrued to the national park and its management.

**Key lessons and considerations for future project work**

1. For projects of this complexity and long-duration, the need for a dedicated and full-time project management organization, with sufficient decision-making and executing authority - can not be over-emphasized. PSCs are, by their nature and composition, focused on project management policy and can not be expected to be able to attend to the detailed day-to-day operations of projects, much more for one as complicated and long-duration as PD 89/90. The component project leaders would have been expected to handle the detailed operational issues but only for their own components. An intermediate project organization between the PSC and the component project implementers is needed to handle cross-cutting concerns such as over-all internal control of financial transactions, coordination between
components, monitoring of operations, and coordination with related
government agencies, organizations and projects.

2. ODA projects always have to contend with the government budgeting and
financial administration systems of recipient countries, and this project was no
exception. At the project development stage, the fiscal administration system
(in this case, the Indonesian DIP) of the country in which a project will be
installed should be closely examined. In this manner, the project
implementation mechanisms should be configured to comply with the
government processes. It would not be logical to go ahead with a project that
has not fully taken cognizance of the administrative environment within which
it will be implemented, only to spend valuable implementation time and
resources in mid-stream to make major corrections.

3. The direct-payment method has been used in other ITTO projects, and it
was finally resorted to in this project at its late stages. ITTO may explore the
possibility of using this as a standard procedure for all projects it finances, and
negotiate with the recipient governments on the matter at the project start-up
stage.

4. Monitoring systems are important part of the project management process.
Such monitoring systems should be able to detect in a timely manner
implementation problems coming up. The experience in PD 89/90 shows that
it is necessary to specifically define a proactive (as compared to passive
relying on regular reports) monitoring system within the project at the
inception phase. If such proactive monitoring is not in place, implementation
problems that could have been foreseen and possibly averted would
complicate and get drawn out over long periods of time, causing severe
delays and resource wastage.

5. The ITTC committees, the Secretariat, the Expert Panel for the Technical
Appraisal of Project and Pre-project Proposals, and National ITTO Focal
Points should be on the look-out for situations where similar, or possibly
complementing, projects are simultaneously being implemented within a
country. PD 89/90 and PD 42/00 is such a case. Steps should be initiated to
bring these similar projects together in a way that they are coordinated and
complement each other.

5. **Synthesis**

Project 89/90 has produced significant human resources, research results,
and training material to add to the pool of resources for SFM, both in
Indonesia and the international community. These resources have high
potential contribution to the achievement of SFM in Indonesia if other enabling
conditions (e.g., appropriate policy environment and institutions) are put in
place. For producer member countries, the research and training material
would be very useful if these were translated into the ITTO official languages
and made easily accessible. The project has meaningfully contributed to
advancing the processes to achieve ITTO's objectives, to the goals for

The outputs of the project should be very useful to the Indonesia Ministry of Forestry and its various agencies for policy development work, forest management operations, and the management of protected and conservation areas.

In terms of the attainment of project objectives, as previously discussed, the various components are variously rated thus: *fully successful* in the attainment of the objective on human resource development; *moderately successful* for the research and development component, and *partially successful* for the nature conservation component. As a whole the project may be considered effective and successful in assisting Indonesia move forward in its SFM efforts. The project also has potential to contribute to the international initiatives on SFM if the resources produced by the project are made accessible to the international community, particularly to ITTO producer members countries.

The cost structure of the project was appropriate. The actual costs of implementation for each component and activity had varied widely over the 13-year implementation period. However, this was mainly due to the wide fluctuations in the value of the Indonesian rupiah at the time when the country faced severe economic stress. In general the resources of the project have been judiciously used, although with some weaknesses, as for example, the inadequate internal control noted by the Independent Auditor, the erroneous (but subsequently corrected) transfer of funds in 2000 and 2001 by the Regional State Treasury, Samarinda.

6. **Recommendations**

1. This project has aptly called attention to the wide range of needs that have to be fulfilled in order for SFM to progress, particularly for ITTO producer member countries. The three project components - research and development, nature conservation and human resources development – are areas which future project work should be supported, both by ITTO and other multi-lateral assistance organizations. Such projects should focus more on developing the “soft” resources, e.g., building up the human resources of stakeholder organizations for SFM, and building the capacities of institutions and stakeholder groups to further develop resources to implement SFM.

2. The target groups of future project work is also wide-ranging: forestry agencies, other government agencies whose mandate impinge on the forest resources, the private forestry industry sector, forestry educational institutions, local governments, local communities and indigenous peoples, etc. Because of the wide range that needs to be supported, some system of determining priorities for assistance to countries should be arrived at. This prioritization should be guided by medium- and long-term SFM plans of countries. The National Focal Points of ITTO may need to initiate this prioritization within their respective countries.
3. Human and physical resources generated by SFM-related projects, such as PD 89/90, have enormous multiplier effects provided that these resources are deliberately channeled to SFW work in the recipient countries. There is a need to evaluate how such resources developed through ITTO support have been utilized, and how effective these resources have been in contributing to the attainment of SFM, both in countries, and at the global level.