



# INTERNATIONAL TROPICAL TIMBER COUNCIL

COMMITTEE ON ECONOMIC INFORMATION  
AND MARKET INTELLIGENCE

COMMITTEE ON FOREST INDUSTRY

Distr.  
GENERAL

CEM-CFI(XLIV)/3  
1 November 2010

Original: ENGLISH only

FORTY-FOURTH SESSION  
13-18 December 2010  
Yokohama, Japan

## EX-POST EVALUATION REPORTS

### EXECUTIVE SUMMARIES

**ITTO Project PD 41/99 Rev.4 (M)**  
**Development and Implementation of the Pilot Project of the**  
**Forestry Statistics Information System (FSIS)**  
(Philippines)

**ITTO Project PD 133/02 Rev.3 (M)**  
**Timber and Timber Products Trade Flow Study in the Philippines**  
(Philippines)

**ITTO Project PD 264/04 Rev.3 (M,I)**  
**Timbers of Tropical Africa Part 1: Group 7(1) within the PROTA Programme**  
(Ghana)

**ITTO Project PD 108/01 Rev.3 (I)**  
**Development of Sustainable Rattan Production and Utilization through**  
**Participation of Rattan Small Holders and Industry in Indonesia**  
(Indonesia)

**ITTO Project PD 277/04 Rev.3 (I)**  
**Promoting Selected Non-Timber Forest Products Based on**  
**Community Participation Approach to Support**  
**Sustainable Forest Management in East Kalimantan**  
(Indonesia)

**ITTO Project PD 286/04 Rev.1 (I)**  
**Strengthening the Capacity to Promote**  
**Efficient Wood Processing Technologies in Indonesia**  
(Indonesia)

*[Complete reports are available from the Secretariat.]*

## TABLE OF CONTENTS

		Page
PD 41/99 Rev.4 (M)	Development and Implementation of the Pilot Project of the Forestry Statistics Information System (FSIS) (Philippines)	1
PD 133/02 Rev.3 (M)	Timber and Timber Products Trade Flow Study in the Philippines	
PD 264/04 Rev.3 (M,I)	Timbers of Tropical Africa Part 1: Group 7(1) within the PROTA Programme (Ghana)	6
PD 108/01 Rev.3 (I)	Development of Sustainable Rattan Production and Utilization through Participation of Rattan Small Holders and Industry in Indonesia	11
PD 277/04 Rev.3 (I)	Promoting Selected Non-Timber Forest Products Based on Community Participation Approach to Support Sustainable Forest Management in East Kalimantan (Indonesia)	17
PD 286/04 Rev.1 (I)	Strengthening the Capacity to Promote Efficient Wood Processing Technologies in Indonesia	23

**ITTO Project PD 41/99 Rev.4 (M)**

**Development and Implementation of the Pilot Project of the  
Forestry Statistics Information System (FSIS) (Philippines)**

**ITTO Project PD 133/02 Rev.3 (M)**

**Timber and Timber Products Trade Flow Study in the Philippines  
(Philippines)**

**EX-POST EVALUATION REPORT  
[EXECUTIVE SUMMARY]**

**[Complete report is available in English from the Secretariat]**

**Prepared for ITTO**

**by**

**Dr. Neil Byron**

## Executive Summary

This report covers the ex-post evaluation of two closely related projects in the Philippines, supported by the ITTO and implemented by the Forest Management Bureau (FMB) of the Department of Environment and Natural Resources (DENR). They are:

**PD 41/99 Rev 4 (M):** *“Development and implementation of the Pilot Project of the Forestry Statistics Information System – Phase I”*

(Implemented from July 2002 to December 2004, with ITTO’s Contribution \$261,042 and the Executing Agency’s Contribution \$190,750)

**PD 133/02 Rev 3 (M):** *“Timber and Timber Products Trade Flow Study of the Philippines”*

(Implemented from September 2003 to September 2006, with ITTO’s Contribution \$126,937 and the Executing Agency’s Contribution \$69,790)

These two Projects were followed by a closely related Project, PD 353/05 Rev 2 (M,F,I) “Adoption and implementation of the Forestry Information System for the Philippines”, which was the follow-up to the pilot project PD 41/99 Rev.4 (M). Although this Project is not directly the subject of this evaluation, it is very relevant to the evaluation of the two earlier projects.

This ex-post evaluation has focussed on the Projects’ **effectiveness** (whether they achieved their objectives) **efficiency** (whether those objectives were high priority and implementation was cost-effective) and **impacts** (including longer-term sustainability and lessons relevant to similar Projects in future).

The approach to the evaluation was to carefully review all Project documentation, conduct detailed interviews with relevant Project personnel and some of the stakeholders involved in each of the Projects.

The evaluation results are very impressive, in terms of what has been achieved, the impacts arising from the Projects and their continuing legacy. As a general statement, each of the Projects has been executed in a very professional and efficient manner, generally within budget, and on schedule allowing for external shocks, unavoidable delays and contingencies. The reasons for this success are: **good project design; excellent training; outstanding “people-management” skills; and a continuous focus on quality and policy relevance.**

### Main Findings and Lessons Learned

**1. PD 41/99 Rev 4 (M):** *“Development and implementation of the Pilot Project of the Forestry Statistics Information System – Phase I”*

#### Main Findings:

- This Project was extremely ambitious and arguably essential to FMB’s mandate, yet the funding allocated to it was very modest. There was no precedent in the Philippines for such a comprehensive modern IT system to meet the needs of policy/program design. The Pilot Project revealed how transformational such powerful IT systems can be.
- The Pilot Program revealed how the emergent FIS/GIS could be used to enable much more comprehensive prioritisation for new initiatives by the Government DENR; more accurate and timely monitoring of ongoing Projects; better ex-post evaluation of the achievements of specific Projects; and new policy initiatives to be developed. For the first time, FMB would have the information base to fulfil its mandated role and tasks.
- The Pilot Program was implemented very cost-effectively. Management was very frugal and cost-conscious, and intent of achieving maximum value for money. Given the scope of the task, the EA acquired all the necessary inputs, conducted the scheduled Activities and met its expected outputs and outcomes in a surprisingly short time period.
- The merits of the Pilot Project were extremely important to the subsequent refinement and roll out of the FIS/GIS nationally. The FIS/GIS is now being “mainstreamed” and is a core part of everyday business of FMB and increasingly the rest of DENR. Almost all foresters come into contact with the FIS/GIS as part of their normal activities. This is quite an achievement, and

changes the way the FMB and DENR offices operate and enhances the impacts they can achieve.

- FMB & DENR now have a much more comprehensive computerised information system which can be readily interrogated. National consistency is assured, and all the “end of Project” status benchmarks were achieved.

#### **Lessons Learned:**

- The Pilot Phase was ambitious and extremely challenging. Thorough preparation ensured that time and resources were not wasted collecting and storing data that would be unnecessary or irrelevant.
- Some difficulties were encountered, a few small mistakes were made and corrected, but overall the Project was completed on Budget and close to schedule.
- Perhaps its biggest achievement, apart from “proof of concept” was to develop a team of well trained and highly motivated officers who were willing and able to make the system work. This is a tribute to the EA management team.
- There are some continuing limitations: new training programs will be required for the staffs who replace those who received initial advanced training; Some of the computers initially supplied will soon be obsolete and deteriorated. The DENR is committed to maintaining the system through its own regular budget.

## **2. PD 133/02 Rev 3 (M): “Timber and Timber Products Trade Flow Study of the Philippines”**

#### **Main Findings:**

- The implementation of the Project went relatively smoothly (apart from delays caused by widespread flooding ). Reports were prepared on schedule, training programs were completed successfully, funding tranches released on schedule, and audited acquittals of expenditure submitted on schedule.
- The study and database have provided very valuable, policy relevant information and insights which have informed subsequent government policies, e.g. the rationalisation of sawmilling capacity, and payments to Government as shares of plantation revenues or profits, in lieu of land rentals.
- There is no doubt that FMB would not be in such a position to perform its duties so well, if that Project had not occurred. And there will continue to be spin offs from it.
- The ITTO deserves commendation for having the foresight to support these Projects and the FMB/DENR for having the capacity and dedication to implement them effectively and very cost-effectively.
- The investments have already generated huge benefits in terms of public policy and assisting Philippines’ forest industries to restructure and position themselves for more sustainable forest management in the future. These benefits are likely to both continue and spread more widely, provided the modest maintenance funding is sustained to keep the system up-to-date and relevant.

#### **Lessons Learned:**

- The principal lesson from the evaluation of this Project is that even a well-intentioned, well-designed, well-implemented Project can be totally overwhelmed by external factors that arise suddenly without warning. The implementation of the national ban on logging was one such “exogenous shock”. Another was the sudden cancellation of all forest tenure agreements across 7 of the 16 Regions, or DENR restrictions on cutting or removing any trees anywhere. The commercial consequences of sudden “policy shocks” on both forest growing and wood-processing business are profound, even if the decrees are subsequently reversed.
- This task was genuinely difficult and complex. There were 3 parts to this Project: the study; the database; and the dissemination. The on-line information exchange (woodmaris.com) was only part of the third phase, not the entire Project. The fact that it eventually came off-line after 3 years does NOT mean the whole Project was a failure!
- There was much of value from this bold initiative which improved understanding amongst ALL the stakeholders about the operation of the value chain from forest plantation to selling manufactured timber products like furniture or plywood.

- There is still more that can be done to help the Government of the Philippines achieve its social, economic and environmental objectives in the Forestry Sector. FMB should continue to observe, to collect and analyse data, and contribute its understandings to the policy discussions.
- There may be worthwhile opportunities for further cooperation in this area to foster and promote more sustainable forest management in the Philippines and continuing development in the forest industries (especially plantation-based).

### **Overall Conclusions (on two projects)**

- Without accurate, reliable, relevant and up-to-date data, any decision-makers can only rely on intuition – they can only guess! The development and implementation of a nation-wide Information System for the Forestry Sector is a very substantial achievement over the past decade. It has been sorely needed for a long time, and is now making a very significant improvement to operational management and longer term development of the forestry sector of the Philippines.
- It has been possible because of the combination of:
  - the external financial and technology support;
  - a strong emphasis on training and continuous improvement, which has fostered high levels of motivation and commitment among those who collect, verify and analyse the data;
  - a dedicated and enthusiastic leadership team in FMB who could see its enormous potential significance and enthuse others with that vision; and
  - the continuity of that implementation team.
- A good information system is an essential prerequisite for sound development of the forestry sector, but it is not enough. It must continue to evolve and it be used effectively. The FIS/GIS system is by no means perfect and is continuing to evolve as more uses of the system become apparent.
- There are continuing challenges:
  - as the 500+ trained staff are promoted and transferred, new replacement staff will also need training (although the current preparation of training manuals may alleviate this to some extent); and
  - replacements will be required as the initial computer hardware and software becomes either obsolete or unusable (technical maintenance for computers in more remote areas is still often difficult, the equipment is used under very tough operating environment - fluctuating electricity supplies, transport over rough roads, tropical climate, etc)
- There could be other challenges also. Many people in the Forestry sector may have thought collection of information and statistics was boring, irrelevant or unnecessary. It is increasingly and rapidly becoming clear that this view is incorrect. Knowledge is power, and accurate, timely reliable information is valuable. As DENR increasingly appreciates the power and value of the FIS, it may wish to add many more capabilities, tasks and modules. If it does so without corresponding resource inputs, there is a risk that the FIS becomes overloaded or weighed down. It could be a victim of its own success. Further, the ability to undertake comprehensive analysis of a national database may retard arbitrary, ill-informed political pronouncements, but some could feel threatened by this. The old excuse that “the file has been lost” will no longer be credible, and some might resent that also.

### **Overall Recommendations (on two projects)**

- The government of the Republic of the Philippines should be encouraged to continue to maintain and use these new systems to their full potential. Since significant resources may be required for additional training in the FIS and MIS, and for replacement of expiring hardware and software, RP might approach ITTO (or others) for ongoing assistance.
- The ITTO and the Government of the Republic of the Philippines should jointly explore similar opportunities for further investments to build on the accumulated expertise and resources in this area of the forestry sector of the Philippines, particularly regarding:
  - a) the continuing evolution of Sustainable Forest Management in the Philippines; and
  - b) the on-going restructuring and relocation of both forest growing and forest-based processing activities throughout the country, in close consultation with the relevant industries/stakeholders.

- The ITTO should investigate whether other countries have a need for, and interest in, similar GIS and market information systems, now that their feasibility and worth has been clearly demonstrated in the Philippines (e.g. elsewhere in SE Asia, or in Africa). Publicising the Philippines' experiences with FIS/MIS (such as through *Tropical Forest Update*) might alert other countries to the potential to make similar improvements and progress towards SFM.

\* \* \*

**ITTO Project PD 264/04 Rev.3 (M,I)**

**Timbers of Tropical Africa Part 1: Group 7(1) within the PROTA  
Programme (Ghana)**

**EX-POST EVALUATION REPORT  
[EXECUTIVE SUMMARY]**

**[Complete report is available in English from the Secretariat]**

## Executive Summary

The ex-post evaluation of a Project is a collection of information, based on documents and on-the-spot assessment. It includes an in-depth analysis of the implementation performance and the impact of the Project after its completion. The intent of an ex-post evaluation is to establish how well the Project served its purpose and how effective and efficient was its implementation. It is also to assess aspects related to the sustainability of the Project and identify the lessons learned that could be applied in future projects design and implementation.

The ex-post evaluation of Project PD 264/04 Rev03 (M ,I)- Timbers of Tropical Africa Part 1: Group 7(1) Within the PROTA Programme, was recommended to the International Tropical Timber Council (ITTC) by its Committee on Economic Information and Market Intelligence (CEM) at its Forty-third Session, held in Yokohama, Japan from 9 to 14 November 2009. The Committee recommendation was endorsed by the Council, and Dr. Ivan Tomaselli, from Brazil, was selected and engaged by the ITTO Secretariat in June 2010 as the consultant to conduct the ex-post evaluation.

The Project was conceived under PROTA-Plant Resources of Tropical Africa, a foundation with headquarters at Wageningen University, in The Netherlands, and branch offices/representatives in several African countries. It is an initiative similar to PROSEA-Plant Resources of South-east Asia developed for South-East Asian countries in the 1990s.

The initiative takes into consideration that there is a large amount of dispersed data on plant resources in Tropical Africa, and it is important to organize and make the information accessible to individual users. The aim of the PROTA Programme is to document the existing wealth of dispersed information on the plant resources of Tropical Africa, and to make it available for education, extension work, research and industry.

The PROTA working programme is subdivided into 16 Commodities Groups, and timbers constitute the Commodity Group 7. A project proposal for the first part of the timbers group was submitted by the Government of Ghana for the consideration of ITTO in 2004, and was approved and financed in 2005. PROTA was designated as the implementing agency.

The Project involved carrying out an inventory of available information and a critical compilation of existing knowledge on the timber species of Tropical Africa in the form of a Webdatabase, Handbook and CD-ROM, that will serve as a reference framework for policy-makers, education and extension workers, researchers and employers in industry (direct beneficiaries), and a rich source for the production of derived materials for communities depending on the forest (indirect beneficiaries).

The development objective of the proposed project was to “improve access to interdisciplinary data on the timbers of Tropical Africa as a basis for sustainable tropical forest management, and to improve networking leading to better cooperation and information exchange between forestry actors”.

Two specific objectives were formulated: i) to gather, evaluate and synthesize the dispersed information on the ‘Timbers of Tropical Africa’ through improved networking and ii) to facilitate wide access of target beneficiaries to the information on the ‘Timbers of Tropical Africa’ in electronic and printed forms.

The Project was formulated with a duration of 3 years. The agreement between the Government of Ghana, the implementing agency (PROTA) and ITTO was signed in September 2005, and implementation commenced in January 2006. Dr. Joseph Cobbinah, the former Director of the Forestry Research Institute of Ghana (FORIG), was designated as the Project Coordinator. The total project budget was US\$1,608,299.00. The ITTO contribution was US\$577,886.00. The remaining fund came from the Dutch Government (US\$403,710.00) and PROTA (US\$626,703.00).

The development objective of the Project was achieved. In general it improved access to interdisciplinary data on timbers of Tropical Africa as a basis for sustainable tropical forest management, and also improved networking, leading to a better cooperation and information exchange between forestry actors.

The two specific objectives and the proposed outputs of the Project were also generally achieved.

Under the first specific objective the amount of information collected, evaluated and synthesized surpassed the original target. A small deviation (reduction) was found in the number of TEXTFILE-TIMBERS, but the reduction was agreed at the First Meeting of the Project Steering Committee held in Accra on 5 October 2006. The number of review articles was reduced from 350, on 350 species, to 275 but a larger number of species was covered.

Outputs related to the second specific objective of the Project were also achieved. A Web Database, Handbooks and CDs with information on 511 African Timbers species (English and French) are now available. After the completion of the Project the Web Database, <http://www.prota.org>, was upgraded and is now interactive. The analysis of the completion report of the Project points out that Output 2.4- Derived Products-Timbers was not fully achieved. An output derived from the Project was the brainstorm workshop held in Kumasi, Ghana, in November 2008. The workshop led, after the project completion period, to a brochure with conclusions and recommendations for the primary beneficiaries.

The Web Data Base, the Handbook and the CD-ROMs (available in two languages- English and French) had a positive impact of facilitating the access of stakeholders to information on tropical timber species in Africa and this will facilitate the implementation of sustainable forest management in continent.

During the Ex-post Evaluation it was not possible to properly assess the utilization of the information by the beneficiaries. Nevertheless it seems that the Project outputs could have had a broader impact. It was noticed, for instance, that the private sector had a minor role in the implementation of the project, and the access to the information generated by the Project was, in principle, limited.

It also seems that the indirect beneficiaries mentioned in the Project Document (communities depending on the forests) were neglected. The Project Document mentions that the information to the indirect beneficiaries would be made available through specially prepared materials, such as brochures and leaflets, by the extension service or through other means, but it seems that the related activities were not implemented.

PROTA expects that the capacity building activities of the Project, coupled with the recruitments in the Network Office in Africa, and a phased transfer of responsibilities to institutions in Africa, would ensure the internalization of the programme in Africa and the sustainability of the related activities. A preliminary assessment points out that problems might be faced in ensuring the sustainability of the programme. This seems already to be the case of PROSEA in Asia.

The Project Document does not make clear reference to the participation of regional stakeholders in the consultation process during the Project formulation phase. It seems that most of the discussions involving the Project design were done within PROTA, taking into consideration the experience and the structure of the organization. Negotiations were held, at a later stage, with the Government of Ghana to have the Project Proposal submitted to ITTO for funding.

The information provided in the documents made available for this ex-post evaluation, show that during implementation, the structure of the Project was simplified, and in spite of the involvement of several partnership institutions and countries, the number of organizations and countries actually involved were reduced.

The structure for the implementation of the Project included a General Coordinator located in Ghana, that had a general role of supervising and reporting to ITTO, and an operational coordinator in The Netherlands. Three organizations are listed in the Completion Report as "leading institutions" in the implementation of the Project: FORIG, Ghana; Wageningen University, the Netherlands and Agropolis International, France. The three institutions were represented in the editorial team.

The overall implementation was efficient and effective, and this was basically due to the structure of PROTA and the experience of the team involved in its implementation. The efficient internal and external monitoring also played an important role.

The location of a General Coordinator in Ghana and the main operational team in The Netherlands did not seem to have created major limitations. Efficient communication and good planning minimized the problems. Some delays were faced involving the implementation of certain activities, but these did not affect the overall work, and the Project was completed within the planned time schedule.

## Lessons Learned

The most relevant lessons learned from the implementation of this Project can be summarized as:

- i. Accumulated experience and a well established structure of the Implementing Agency is important for a proper formulation of a Project Proposal, and specially in the implementation of the Project activities;
- ii. A well established management structure for the Project allows that operational problems, which frequently happen during the implementation of a complex Project such as this, are quickly identified. In the implementation of this Project, immediate and proper actions were adopted to overcome problems, and this facilitated the implementation and the proposed objectives were fully achieved;
- iii. Efficient communication and good cooperation is important in the implementation of projects that involve several persons/organizations working in different sites / regions. This is also important in Projects manipulating a large quantity of materials/ documents;
- iv. The involvement of a large number of organization/ offices/ collaborators tends to create constraints in the implementation of a Project. It seems to be better to concentrate the cooperation within a limited number of selected/ key organizations. This seems to be the strategy that was, at the end, adopted in the implementation of this Project.

## Conclusions

The main conclusions of the ex-post evaluation of this Project are as follows:

1. This Project was well designed and efficiently implemented. The planned objectives were achieved, and the outputs were delivered within the time schedule proposed in the Project Proposal Document. Accumulated experience of the team involved and a well established management structure at the Implementing Agency was important to facilitate the implementation of the Project.
2. The value of implementing this regional and inter-continental Project needs to be recognized. Its implementation involved several Anglo Franco countries in Africa and several authors, and had an interaction with PROTA offices and other organizations in Europe. This was a challenge to the Implementing Agency, that was able to carry out the activities efficiently, effectively and on time, with no extension in the Project duration and additional financing;
3. The Project was in line with ITTA-2004 Objectives and with ITTO Yokohama Work Plan, and outputs will contribute to improve the implementation of sustainable forest management in Africa, facilitate the education of younger generation and increase the cooperation among regional stakeholders;
4. The work continued after the completion of the Project, and activities were implemented to improve the dissemination of the outputs;
5. One example of activity implemented after the completion of the Project was the Web Database upgraded, that is now interactive. Besides the possibility of a continuous update of the information the interactive Web Database will facilitate the implementation of the Part 2 of the Project;
6. One of the problems identified was the limited involvement of the private sector and communities groups, listed as direct and indirect beneficiaries of the Project. It seems that the private sector had a minor role and only participated in some meetings of the Steering Committee. No reference was made to the involvement of the communities;
7. In the dissemination of the Project outputs the focus was mainly on governments and academic groups (universities and research organizations), with less attention to the private sector, the main responsible for the implementation of sustainable forest management. It also seems also that the communities were neglected. The creation of special materials mentioned in the Project

Proposal, such as brochures and leaflets, and the development of activities to reach the communities, such as extension services or through other means, was not implemented;

8. It was noted that all the 23 key stakeholders that participated in the brainstorm workshop held in Kumasi, Ghana, in November 2008, to discuss the findings of the Project and to formulate recommendations to PROTA, were representatives of governments, research organizations, universities and PROTA regional offices. No representative of the private sector or communities participated;
9. The Project has continued and the implementation of a second phase, covering the remaining 500 timber species of Tropical Africa, is expected to be concluded in 2012. PROTA expects that the capacity building activities of the Project, coupled with the recruitments in the Network Office in Africa, and phased transfer of responsibilities to institutions in Africa would ensure the internalization of the programme in Africa, and the sustainability of the activities related to the Project. Apparently so far this has been only partially achieved. Activities related and generated from the "interactive Web Database" will need to be implemented after the completion of the second phase of the Project. A preliminary assessment points out that problems might be faced to ensure the sustainability of the programme. This already seems to be the case of PROSEA.

### **Recommendations**

As previously mentioned the Project was carefully implemented and the objectives proposed were in general achieved. Some recommendations can be made to improve the ongoing implementation of phase 2 of this Project, as well as the implementation of other projects.

The main recommendations from this ex post evaluation are as follows:

- (a) In spite of the fact that the second phase of this project is already in implementation, it is recommended to examine the possibility to consider having a stronger involvement of the private sector. Also, if still possible, improvements should be introduced in the dissemination of information to communities, the secondary beneficiaries;
- (b) The assessment made points out that, the dissemination of the Project outputs can be improved. Stakeholders need to be better informed and educated on the use and benefits of information available in the Web Page, printed material and CD-ROM. Mechanisms to improve dissemination should be identified and implemented before the completion of the second phase of this Project. The mechanisms could include the preparation of promotion material for specific stakeholders, implementation of seminars and workshops, participation in conferences and other specific activities;
- (c) More efforts are needed to ensure the sustainability of the Project. The Project has implemented activities involving capacity building but this seems not to be sufficient. It is recommended to identify effective actions to be implemented during the remaining two years of work of phase 2 to facilitate the achievement of the sustainability of the Project.

The strengthening of an African organization and the establishment of a Regional Network, together with a phased transfer of responsibilities seems to be good options to internalize the programme in Africa and ensure its sustainability.

\* \* \*

**ITTO Project PD 108/01 Rev.3 (I)**

**Development of Sustainable Rattan Production and Utilization through  
Participation of Rattan Small Holders and Industry in Indonesia  
(Indonesia)**

**EX-POST EVALUATION REPORT**

**EXECUTIVE SUMMARY**

**Prepared for the ITTO**

**by**

**Dr. Antonio C. Manila**

## Acronyms

ASMINDO	:	Association of Furniture-makers in Indonesia
EA	:	Executing Agency
CIC	:	Center for International Cooperation
DG-FPNC	:	Directorate General of Forest Protection and Nature Conservation
DG-LRSF	:	Directorate General of Land Rehabilitation and Social Forestry
FORDA	:	Forestry Research and Development Agency
INBAR	:	International Network for Bamboo and Rattan
IT	:	Itinerary of Travel
ITTA	:	International Tropical Timber Agreement
ITTC	:	International Tropical Timber Council
ITTO	:	International Tropical Timber Organization
LGU	:	Local Government Unit
LIPI	:	<i>Lembaga Ilmu Pengetahuan Indonesia</i> (National Science Institute)
LFM	:	Logical Framework Matrix
MOFI	:	Ministry of Forestry-Indonesia
NGOs	:	Non-government Organizations
NTFPs	:	Non-timber Forest Products
PA	:	Project Agreement
PSC	:	Project Steering Committee
R&D	:	Research and Development
SFM	:	Sustainable Forest Management
ToR	:	Terms of Reference
ToT	:	Training of Trainers
WP	:	Work Plan
YPO	:	Yearly Plan of Operations

## Executive Summary

The Project PD 108/01 Rev.3 (I), entitled, "Development of Sustainable Rattan Production and Utilization through Participation of Rattan Small Holders and Industry in Indonesia" was approved in the 32<sup>nd</sup> Session of the International Tropical Timber Council (ITTC) Meeting at Bali, Indonesia on May 13-18, 2002 for implementation by the Government of Indonesia (GOI) through the Directorate General of Land Rehabilitation and Social Forestry (DG-LRSF), as the project's executing agency (EA). The main objective of the project was to promote the sustainable management and use of rattan resources in the country, whereby more than 300 species of rattan abound in forest production area estimated at around 9.37 million hectares, but their management and utilization are quite very limited. The project strategy was anchored on the active involvement of rural community in sustainable forest management (SFM), including the use of rattan resources to enhance their socio-economic benefits and alleviate poverty incidence of forest communities. It was carried out for 36 months or 3 years duration which started operations on February 1, 2003 to December 31, 2006, with an extension of one and one-half years (or 18 months) no-cost extension period until July 31, 2007, or total project duration of 54 months. The total project budget was US\$ 849,299.00, of which US\$ 434,839.00 was contributed by the ITTO and the GOI provided US\$ 414,460.00, as in-kind contribution or counterpart funding.

The development objective was to enhance sustainable utilization of rattan by securing raw material and production flows from sustainably managed resources in order to increase multiple benefits of rattan to local communities. Therefore, the intended long-term primary beneficiaries of the project were the communities residing near and around forest areas.

The specific objectives of the project were the following:

- a) To develop sustainable utilization of natural and planted rattans from sustainable sources in Indonesia; and
- b) To improve rattan industry competitiveness through improvement of grading system, product design and quality, market incentives and policies as well as diversification of rattan products.

Considering the potential value of the lessons learned and experiences gained from the project, the ITTO through the Committees on Economic and Market Intelligence and the Forest Industry at their 43<sup>rd</sup> ITTC Session in November 2009 in Yokohama, Japan, has decided that a thematic ex-post evaluation be undertaken to determine how well the project served its purpose and to draw up lessons and recommendations to improve the implementation of future projects.

The ex-post evaluation involved consulting a range of project documents and relevant background materials and data, conducting an evaluation mission in Indonesia on May 28 to June 10, 2010 (14 days), cross-checking information and clarifying contextual issues or concerns, including thorough follow-up via email communications after the mission and preparing the report following the ITTO Manual for Project Monitoring, Review and Evaluation (3<sup>rd</sup> edition, 2009).

It is worth mentioning that this rattan project is consistent with the objectives set forth in ITTA 1994 and ITTO Yokohama Action Plan (2002-2006) through creation of job opportunities, generation of income for rattan farmers and revenues for government, promotion and implementation of R & D activities in the management of secondary forests as well as increasing the capacity to conserve and enhance other forest values in timber producing tropical forests, including the generation, publication and dissemination of vast information on rattan industry and its by-products (Goal 2, Action 5 of Forest Industry), and in human resource development and institutional strengthening (Cross Cutting Action e). The actual contribution to ITTO's SFM work is on the effectiveness of technology transfer to rattan farmers in three (3) demonstration plots in two (2) provinces and in rattan processing technologies in two (2) workshops as well as publication and dissemination of rattan information through fora cum workshops/seminars conducted by the project.

Significant project outputs are indicated below:

- 100 hectares rattan demonstration/plantation plots established in 3 Regencies, namely, Kuningan Regency (50 Has), Piani of Tapin Regency (25 Has) and Pengaran of Banjar Regency (25 Has);

- 7 technical reports on rattan potency, processing, production and their management options, market preferences for rattan products in terms of types, designs and qualities;
- 4 rattan manuals on utilization, by-products or derivatives (i.e. dragon blood/resin), inventory and cultivation;
- 2 rattan processing units established in Katingan, Central Kalimantan and in Kolaka, South-east Sulawesi;
- 2 short-training courses on rattan silviculture and processing in Samarinda, East Kalimantan and in Banjarbaru, South Kalimantan; and
- 2 national fora/workshops with published proceedings about sustainable rattan development conducted in Kuningan, West java and in Katingan, Central Kalimantan.

The ex-post evaluation confirmed that the project strategy was sound, given the information available and circumstances at the time the project was developed. It was found that problem analysis was not based on problem tree as required by the ITTO Manual, 2<sup>nd</sup> edition of 1999, thus the cause-effect relationships of the key problems were not clearly exposed/defined. This project weakness, however, was reinforced by pre-project activities with key stakeholders during the FAO Rattan Expert Meeting in 2000 and CIFOR Rattan Policy Review Workshop in 2002.

This scenario was further demonstrated by the positive impacts provided by the project to its intended beneficiaries and stakeholders. The conduct of short training courses, rattan fora cum workshops that were designed for government implementers and the rural people located in 4 project sites in 2 provinces, had gradually promoted public awareness and close collaboration towards the livelihood activities of rural folks. The rural population and rattan industry sector were further exposed to the means, methods, management, establishment of rattan plantation and natural forests, including value-added rattan products, within the framework of the project. Other community members, e.g. in Katingan rattan farmers were influenced by those who attended the trainings through technology transfer and demonstration of quality finished products. With the support of their local government units in Katingan, they have ample opportunities to increase their income by adopting the policies and directives provided in various publications of the project. These opportunities were not available to them during the pre-project situation.

The project was concluded around three years ago, and it has been observed that the Local Government of Central Kalimantan has continuously supported the rattan sector development with local rattan industry and rural folks for 100,000 hectares large-scale rattan planting. There was also a LGU policy for government agencies in Katingan, Central Kalimantan to support and use rattan-based products and furniture to support the local small-scale rattan industry. As a follow up to the recommendation of the National Workshop on Sustainable Rattan Development held in Katingan, Central Kalimantan, in January 30-31, 2007, the provincial government of East Kalimantan has launched a rattan development program called "One million manau rattan planting". These financial and policy support of the local government were very encouraging to the project's sustainability.

The local trainings of rural folks and their implementation of the rattan plantation activities showed positive efforts towards sustainability. It is worth mentioning that with the project implementation of more than 4 years, the project coordinator and staff/people had continuously handled the project and it served its purpose of mainstreaming somehow into its system of governance. Moreover, to address the institutional requirement of rattan sector development, the project outputs/accomplishments should be absorbed and handled by the existing Unit/Section within DG-LRSF regarding all concerns on rattan and further mainstreaming this aspect within the bureaucracy.

## **Lessons Learned**

There are a number of lessons learned from this project which should be taken into consideration when designing similar projects in the future, to wit:

- a. The project design is devoid of problem and objective trees as required by the ITTO Manual (1999), however it was reinforced by strategies generated from pre-project activities, e.g. FAO and CIFOR Policy Reviews on Rattan, which subsequently delivered planned outputs and achieve the specific objectives. The achievement was attributable mainly to the consistent focus of the PMU on building up capacity of rattan farmers in demonstration trials/plots, in processing of the raw materials and marketing of products. While the indicators designed in the project

document appeared not fully measurable, assessment of the achievement of outputs and specific objectives have been relatively accurate by thoroughly examining available technical reports and carrying out field observation at the project sites.

- b. The project organization and structure were appropriately created following a collaborative method of project governance and involving a wide variety of stakeholders in the project design and implementation. Outstanding project results or outputs were achieved through multi-sectoral linkages under the guidance of the Project Steering Committee (PSC) chaired by the DG-LRSF.
- c. The PSC monitored and evaluated the progress reports and accomplishments every 6-month interval providing regular feedback to all stakeholders to enhance project activities and outputs. This meant the project was continuously improved and ensured the project activities were targeted towards the beneficiary needs and requirements.
- d. A number of relevant information on rattan, e.g. guidelines, manuals and reports, have been produced and disseminated by the project to wider audience/stakeholders during fora cum workshops and meetings, which were necessary for the sustainability of project impacts.
- e. The indicator of success should have been better targeted to desired outcomes, and should be more specific than using the national level information, particularly development objective, in order to effectively measure the project outcomes at the end of the project.
- f. The project risk was easily identified, especially at the level of government policy support and direction in rattan industry development, e.g. ban on export of raw rattan and semi-finished products under the Ministry of Trade Regulation No. 12/M-DAG/PER/6/2005, and considered its consequent implications towards the sustainability of project.
- g. The project staff turn-over is a significant risk in the project's smooth operation, especially involving field supervisors and transfer of duty of DG-LRSF, as Chair of the PSC, considering that the continuity of operations and institutional memory are disrupted accordingly. But, when it is unavoidable, efforts should be made to ensure that key knowledge is documented, key documents located and secured, and important contacts were passed on to organic staff.

## Conclusions

The following conclusions in the whole evaluation process of the project are shown below, to wit:

- a. A number of project outputs or findings focused on natural rattan and plantation management, including value-added rattan products had been done and documented through guidelines, manuals and reports. The project produced a dearth of information and data on rattan resources, e.g. technical papers/reports and manuals which were very comprehensive and impressive, however, none of them have been published in any of the international/regional journals, periodicals and newsletters (e.g. INBAR) for wider distribution and utility.
- b. The project design was devoid of the problem and objective trees in accordance with ITTO Manual (1989) and therefore it does not have a strong vertical logic. Fortunately, pre-project activities through the FAO and CIFOR Policy Reviews on Rattan has reinforced the project strategies for the planned outputs and activities for the project implementation.
- c. The project strategy was sound and selected outputs appropriate, as indicated in the LFM. Together with the unexpected local government support in Katingan, Central Kalimantan, to local rattan industry sector development as the project was implemented after its completion, a significant number of activities were achieved and continued at the level of outputs, as envisaged. Likewise, project activities were constantly improved based on feedbacks and updates at the PSC meetings conducted twice a year.
- d. The project was collaboratively governed and the budget well managed through the PSC at its inception phase (in 2003) until the project completion in 2007. Close collaboration between and among key stakeholders enabled them to build linkages and share information and updates in the interest of proper project management and sustainability aspects.

- e. A stronger political support is needed to safeguard the positive impacts of the project in the future, particularly in the formulation of a long-term national development strategy and action plan for commercial rattan plantation, as a “road map” for all stakeholders to follow and adhere to.

## Recommendations

The following recommendations for future actions will further support the sustainability of project benefits and help further development of the rattan sector in Indonesia, such as:

- a. The rattan industry sector should be promoted further by the national government through Ministry of Forestry of Indonesia (MOFI) in collaborative partnership with private enterprises and cottage industries, and with rural communities’ active participation.
- b. Key stakeholders group should continue working together towards the preparation of a framework concerning the long-term national development strategy for commercial rattan plantation, which will guide and support all future action plans of the rattan industry sector. Within this strategy, the setting-up of mechanism or an entity should be pursued to assist rattan farmers’ association for their bargaining power in the marketing aspects of the industry.
- c. There is still significant need in the country for information and trainings on all aspects of rattan industry sector requiring continued assistance of donor community like ITTO, including dissemination of information that require improvement, i.e. with enhanced and expanded extension services that are consistent with any agreed rattan development strategy.
- d. A national rattan inventory/survey, including other NTFPs should be undertaken to determine the existing and remaining growing stock and annual production information, in collaboration with the GIS/RS unit within MOFI. The GIS-based maps of these project sites and/or demonstration plots should come handy for easy reference and guide.
- e. Strengthen key stakeholders’ capacity through trainings and improved rattan technologies by enhancing the planning, programming, implementation activities and marketing aspects. In particular, rural people’s capacities be developed and improved not only in technical aspects, but also through skills development, e.g. simple book-keeping, recording, filing and accounting procedures, which are prerequisites for organizing rattan farmers’ associations.
- f. The importance of regional networking with neighboring countries in ASEAN should also be emphasized and pursued to exchange and share the wealth of rattan information and technologies generated by this project for future marketing strategies and collaborative partnerships. For instance, the project can link with the existing networks established in ASEAN to enhance and harness the best available forest science and technologies for sustainable development of the people and the environment of the region.

\* \* \*

**ITTO Project PD 277/04 Rev.3 (I)**

**Promoting Selected Non-Timber Forest Products Based on  
Community Participation Approach to Support  
Sustainable Forest Management in East Kalimantan  
(Indonesia)**

**EX-POST EVALUATION REPORT**

**EXECUTIVE SUMMARY**

**Prepared for the ITTO**

**by**

**Dr. Antonio C. Manila**

## Acronyms

EA	:	Executing Agency
BRC	:	Biopharmaca Research Center
BAU	:	Bogor Agricultural University
CIC	:	Center for International Cooperation
FORDA	:	Forestry Research & Development Agency
GOI	:	The Government of Indonesia
IT	:	Itinerary of Travel
ITTA	:	International Tropical Timber Agreement
ITTC	:	International Tropical Timber Council
ITTO	:	International Tropical Timber Organization
LFM	:	Logical Framework Matrix
LUS	:	Lesser Used Species
M&F	:	Monitoring and Evaluation
MOF	:	Ministry of Forestry
MOU	:	Memorandum of Understanding
NGOs	:	Non-Government Organizations
NTFPs	:	Non-Timber Forest Products
PIRT	:	<i>Pangan Industri Rumah Tangga</i> (Certificate to produce & distribute home food products)
PSC	:	Project Steering Committee
PMU	:	Project Management Unit
R&D	:	Research and Development
SFM	:	Sustainable Forest Management
ToR	:	Terms of Reference
ToT	:	Training of Trainers
WP	:	Work Plan
YPO	:	Yearly Plan of Operation

## Executive Summary

The Project PD 277/04 Rev.3 (I), entitled, "Promoting Selected Non-Timber Forest Products Based on Community Participation Approach to Support Sustainable Forest Management in East Kalimantan" was approved in the 37<sup>th</sup> Session of the International Tropical Timber Council (ITTC) Meeting at Yokohama, Japan on December 13-18, 2004 for implementation by the Government of Indonesia through the Biopharmaca Research Center of Bogor Agricultural University, as the project's executing agency (EA) in close collaboration with the Forestry Research and Development Agency (FORDA). The main objective of the project was to promote the sustainable use and management of NTFPs in the forest sector in East Kalimantan through the development of its small-scale production and its marketing system involving local stakeholders. The project strategy was anchored on the active involvement of rural community in sustainable forest management (SFM), particularly the use of NTFPs as medicinal plants to augment their socio-economic benefits and revenue of local government that would consequently lessen the pressure on forests once the forest communities' income levels are improved. It was carried out for 36 months or 3 years duration which started operations on April 1, 2005 to March 31, 2008, with a 4-month no-cost extension period until July 31, 2008. The total project budget approved by the ITTC was US\$ 528,410.00, with in-kind contribution from the Government of Indonesia of US\$ 126,473.00.

The development objective of the project was to increase contribution of NTFPs to the forest sector of East Kalimantan by 5% in ten (10) years after project completion.

The specific objective of the project was to promote selected NTFPs to SFM by improving small-scale industry of selected NTFPs and its marketing system.

Considering the potential value of the lessons learned and experiences gained from the project, the ITTO through the Committees on Economic and Market Intelligence and the Forest Industry at their 43<sup>rd</sup> ITTC Session in November 2009 in Yokohama, Japan, has decided that a thematic ex-post evaluation of the project be undertaken to determine how well the project served its purpose and to draw up lessons and recommendations to improve the implementation of future projects.

The ex-post evaluation involved consulting a range of project documents and relevant background materials and data, conducting an evaluation mission in Indonesia on May 28-June 10, 2010 (2 weeks), cross-checking information and clarifying contextual issues or concerns, including thorough follow-up via email communications after the mission and preparing the report following the ITTO Manual for Project Monitoring, Review and Evaluation (3<sup>rd</sup> edition, 2009).

The NTFPs project contributed to the attainment of ITTA 1994 & 2006 and ITTO Yokohama Action Plan (2002-2006) & 2008-2011 Action Plans through the promotion and implementation of R & D activities with a view of increasing the capacity to conserve and enhance other forest values in timber producing tropical forests; promotion of non-timber forest products in close cooperation with local forest owners and communities living in the forest areas; publish and disseminate techniques and technologies on product development and on utilization efficiency of non-timber forest products, and promote increased awareness and utilization of existing information on wood properties and end-user requirements. The actual contribution to ITTO's SFM work is on farmers' acquired skills and knowledge in establishing 20 hectares on-farm medicinal plants, harvesting them, processing into medicinal herbs (*jamu*) and building networks for marketing aspects. The private sector, PT Inhutani I, also allowed enrichment planting of six (6) medicinal forest tree species within the 50 hectares of state forest land for propagation and expansion purposes and a one (1) hectare park established and maintained for collection of medicinal tree species for educational purposes.

The field trainings conducted by BIOMA, a local/site-based NGO, for local communities and their implementation of livelihood activities showed positive impacts towards sustainability, as indicated below:

i) Growing number of participating farmers

The number of farmers taking part in NTFP business development had increased substantially in all four villages. The field visits to two villages, e.g. Semoi 1 and Sungai Merdeka, indicated that the number of members has increased from 33 in 2005 to 119 in 2010. Moreover, farmers of neighboring villages have also expressed their interest in undertaking NTFP development activities. Indeed, the growing interest by farmers in NTFP development is an encouraging impact of the Project.

ii) Adoption of new technology

Farmers of native origin are normally more difficult to adopt a new technology. This was not the case with the farmers of target villages. Farmers of both native and migrant origins were eager to adopt the technologies transferred by the Project. This was due mainly to the ability of BIOMA to demonstrate the technologies and convince farmers of the potential benefits accruable to farmers by adopting the technologies.

iii) Support by LGAs

The project had strived to promote NTFP development in two target Districts through various means including visits, discussion fora for dissemination of information, etc. In the course of project implementation, Agriculture and Health Service of the Districts had become aware of the potential contribution of NTFP development to the local economies. The Agriculture Services had assisted farmers in cultivation of medicinal plants while the Health Service had aided in processing and quality control leading to issuance of PIRTs. The support of LGAs is indispensable if NTFP development is ever to meaningfully contribute to the local economies.

The ex-post evaluation confirmed that the project strategy was sound, given the information available and circumstances at the time the project was developed. Although the project did not go through the problem analysis in consonance with ITTO Manual as the sub-causes of the main problem were not identified or discussed, but overall the planned outputs had been delivered by the project. This was demonstrated by positive impacts as discussed earlier through the provision of trainings for rural folks in 4 villages by BIOMA. The rural population was further exposed to the means, methods, management, establishment of medicinal plants' home gardens, including value-added by-products or *jamu*, within the framework of the project. They had ample opportunities to increase their income by adopting the guidelines and directives in various publications of the project. These opportunities were not available to them during the pre-project situation.

The project was concluded more than 2 years ago, and it has been observed that rural folks continued to maintain/manage their backyard farmlands and expressed their utmost desire to continue this great undertaking. Some farmer-beneficiaries are able to send their children to college level from their income derived from producing and selling their medicinal plants. It is worth mentioning that Semoi 1 village membership has grown up from 13 members in 2005 to 79 association members now, following their revolving fund scheme. The Semoi 1 village head/leader had been invited as resource person in a field day activity in a University Campus to lecture on medicinal plants. The Semoi 1 village is now being considered as a model for R & D in medicinal plants. An adjacent village, about 10 kms away from Semoi 1 wish to join and participate in this novel undertaking of promoting selected medicinal plants to support sustainable forest management.

It is therefore imperative for the district government and private sector, e.g. PT Inhutani I, to extend support to the project, especially concerning *jamu* or pharmaceutical enterprises and for stakeholders' participation. At least 50 hectares of forest have been enriched with NTFPs of high-valued medicinal plants (*akar kuning* and *pasak bumi*) and ready to be harvested in the next 2-3 years. The dissemination of methods and approaches in performing a small-scale industry models, in the form of capacity-building (i.e. training and workshop, certified *jamu* producers) have been offered to interested parties who are willing to develop similar activities in other parts of East Kalimantan. These financial and policy support of government and private sector will be very encouraging to the project's sustainability.

## Lessons Learned

- a. Despite the weakness in the project design, particularly in identification of relevant activities, the project had been able to deliver planned outputs and achieve the specific objective. The achievement was attributable mainly to the consistent focus of the PMU on building up capacity of farmers in cultivation of raw materials, in processing of the raw materials and marketing of products. The operational efforts had been consistently devoted to handling three sub-system of NTFP development. While the indicators designed in the project document appeared not fully measurable, assessment of the achievement of outputs and specific objective has been relatively accurate by thoroughly examining available technical reports and carrying out field observation at the project sites.
- b. Promotion of medicinal NTFP development under the project was quite successful as all planned outputs had been delivered and the specific objective achieved. The key success factor was the

active participation of local stakeholders. These farmers-beneficiaries of the four target villages were fully involved in implementing the activities. Their enthusiasm was created through partnership endeavor wherein farmers were always consulted with, in making any operational decisions including selection of NTFP species, sites for planting, venues for workshops, etc. The collaborative approach adopted had proved effective in involving farmers in implementation of project activities.

- c. In the course of project implementation, participating farmers had been able to augment their income through selling of quick yielding plants, such as medicinal plants like ginger and other rhizomes. The financial gain had further intensified their interest in the project. It was learned that involving the poor farmers in implementation of the project was eased by the financial gain yielded in the short term.
- d. Involvement of District extension officers and issuance of PIRT license to household NTFP industries (PIRT) by the District Health Service had also served as an incentive for farmers to take part in the medicinal NTFP development. The psychological effect of this involvement of District authorities was equally important as the financial gain in enforcing enthusiasm of farmers.
- e. Many activities of the project were implemented with the assistance of BIOMA, a local/site-based NGO that had accumulated experience in implementing rural socio-economic development projects. Involvement of BIOMA had made it possible to execute activities in an effective manner due mainly to reduced transportation cost, consistent intensive dialogue with farmers and application of appropriate operational strategies. Level of effectiveness would have been lower had the project employed non-local NGOs.
- f. Farmers were able to sell high quality ginger *simplisia* and *pasak bumi* extract at attractive prices to a manufacturer of *jamu* products outside Kalimantan that met the specifications set by the manufacturer. In promoting medicinal NTFP development, establishment of market network is indispensable. Through market network, information on potential buyers and product specifications required by market can be easily tapped.
- g. Participating farmers have been able to augment their income through small-scale NTFP industry and use the income to finance children to attend local university. This experience has further strengthened the interest of farmers in NTFP business development. Moreover, the opportunity granted by local University Campus for the leader of Semoi I Village to lecture on medicinal plants has also created proud and self confident amongst farmers of being participants of NTFP development endeavour.

## Conclusions

The following conclusions in the whole evaluation process of the project are shown below, to wit:

- a. A number of outstanding findings or outputs on NTFPs development focused on plantation management and production of *jamu* or pharmaceutical enterprise for rural communities had been done and documented through project reports, manuals and guidelines. The project produced a dearth of information and data on medicinal forest species and agricultural crops, which were very comprehensive and impressive. However, none of them have been published in any of the international/regional journals, periodicals and newsletters (e.g. INBAR) for wider distribution and utility.
- b. The R & D on cultivation system, processing and marketing of cultivated NTFPs should be continued by the Bogor Agricultural University, Mulawarman University, the District government, PT Inhutani I, in close collaboration with the local forest communities, which can be carried out simultaneously, either individually or in collaborative partnerships.
- c. The project was collaboratively governed and the budget well managed through the PSC at its inception phase (in 2005) until the project completion. Close collaboration between and among key stakeholders enabled them to build linkages and share information and updates in the interest of proper project management and sustainability aspects.
- d. The project design was derived through a problem tree analysis in accordance with the ITTO Manual, but no objective tree was developed by the project, as the problem tree should

- have been inverted to become an objective tree that would clearly show the work breakdown structure of project intervention and indicate the essential project elements. A project design that was based on a problem tree and its corresponding objective tree should have a strong vertical logic. This was not the case of the design of this project.
- e. Likewise, with reference to ITTO's Manual the sub-causes of the main problem were not identified, i.e. it is not so clear how the activities were defined, or where their origin was. Normally, the project activities correspond to the sub-causes of the problem and are meant as the means to address the sub-causes, which are also the problem in nature that need resolving.
  - f. There is a need to thoroughly discuss and consult the project beneficiaries about the project elements and activities prior to finalizing and submission of project proposal to avoid changing the project strategy in mid-stream of project implementation. Apparently, Output 3 had been modified during the implementation stage as the development of management plan and business strategy was considered too complicated for farmers to understand and practice. The original Output 3 had thus been redefined as "small business developed". However, redefining of Output 3 should have been followed by an adjustment to the original LFM. As this adjustment was not made, it was difficult to assess achievement of Output.
  - g. Finally, the project and its impacts have been found successful in improving the living conditions of target farmers' groups, as the transfer of technology went on efficiently due to the fact that the workshops and trainings were organized locally and facilitated mostly by a competent, local/site-based NGO.

## Recommendations

The following recommendations for future actions will further support the sustainability of project benefits and help further development of the NTFPs sector in Indonesia, such as:

- a. The NTFPs, including medicinal forest species should be promoted further by the government through the DG-LRSF in collaborative partnership with private enterprises and pharmaceutical industries, and with rural communities' active participation. The leading role of concerned district governments is very much expected on this important issue.
- b. Key stakeholders group should continue working together towards the preparation of a framework concerning the long-term national NTFPs development strategy which will guide and support all future action plans of the sector.
- c. There is still significant need in the country for information and trainings on all aspects of NTFPs, including medicinal forest trees requiring continued assistance of donor community like ITTO, including dissemination of information that require improvement, i.e. with enhanced and expanded extension services that are consistent with any agreed NTFPs development strategy.
- d. A number of NTFPs demonstration plots located in different forest zones, with local communities active participation should be encouraged and established to further develop and test systems for potential upscaling and replication.
- e. Strengthen key stakeholders' capacity through trainings and improved NTFPs identification and silvicultural techniques by enhancing the planning, programming and implementation activities. In particular, rural people's capacities be developed and improved not only in technical aspects, but also through skills development, e.g. simple book-keeping, recording, filing and accounting procedures, which are prerequisites for organizing farmers' groups/association.
- f. To encourage the production and dissemination of project outputs/findings in local and international/regional journals/papers for promotional purposes and further increase public awareness on the importance of NTFPs.

\* \* \*

**ITTO Project PD 286/04 Rev.1 (I)**

**Strengthening the Capacity to Promote  
Efficient Wood Processing Technologies in Indonesia  
(Indonesia)**

**EX-POST EVALUATION REPORT**

**EXECUTIVE SUMMARY**

**Prepared for the ITTO**

**by**

**Dr. Antonio C. Manila**

## Acronyms

BPK	:	Bina Produksi Kehutanan or Forestry Products Development (FPD)
CIC	:	Center for International Cooperation
DG-FPD	:	Directorate General of Forestry Products Development
EA	:	Executing Agency
FIFO	:	First In First Out
GOI	:	Government of Indonesia
ISWA	:	Indonesian Sawmill and Woodworking Association
ITTA	:	International Tropical Timber Agreement
ITTC	:	International Tropical Timber Council
ITTO	:	International Tropical Timber Organization
LFM	:	Logical Framework Matrix
LUS	:	Lesser-used Species
MOF	:	Ministry of Forestry
PA	:	Project Agreement
PMT	:	Project Management Team
PSC	:	Project Steering Committee
R&D	:	Research and Development
WP	:	Work Plan
YPO	:	Yearly Plan of Operation

## Executive Summary

The Project PD 286/04 Rev.1 (I), entitled, "Strengthening the Capacity to Promote Efficient Wood Processing Technologies in Indonesia" was approved in the 36<sup>th</sup> Session of the International Tropical Timber Council (ITTC) Meeting at Interlaken, Switzerland on July 20-23, 2004 for implementation by the Government of Indonesia through the Indonesian Sawmill and Woodworking Association (ISWA), as the project's executing agency (EA) and the Directorate General of Forestry Products Development (DG-FPD) as the collaborating agency. The main objective of the project was to enhance national capacities and skills in wood processing through training programs to ensure efficient and diversified use of tropical timber in the country. The project strategy was anchored on the active involvement of ISWA members in implementing the training programs geared towards increasing contribution of wood processing industry to national economy and ultimately to sustainable forest management (SFM). It was carried out for 36 months or 3 years duration which started operations on August 1, 2005 to July 31, 2008, with a 12-month no-cost extension period until July 31, 2009. The total project budget was US\$ 969,280.00, of which ITTO contributed US\$ 765,140.00 and GOI's in-kind contribution or counterpart funding amounted to US\$ 204,140.00.

The development objective of the project was to increase the contribution of the wood processing industry to national economy through the application of appropriate processing technologies.

The specific objective of the project was to improve national skills and capabilities in conducting efficient wood processing and in managing product quality to ensure the efficient and diversified use of tropical timber in Indonesia.

Cognizant of the potential value of lessons learned and best practices generated by the project, the ITTO through the Committees on Economic and Market Intelligence and the Forest Industry at their 43<sup>rd</sup> Session in November 2009 in Yokohama, Japan, has decided that a thematic ex-post evaluation of the project be undertaken to determine how well the project served its purpose and come up with best practices that can be replicated and used in similar projects in the future.

The ex-post evaluation involved consulting a range of project documents and relevant background materials and data, conducting an evaluation mission in Indonesia on May 28 to June 10, 2010 (2 weeks), cross-checking information and clarifying contextual issues or concerns, including thorough follow-up via email communications after the mission and preparing the report following the ITTO Manual for Project Monitoring, Review and Evaluation (3<sup>rd</sup> edition, 2009).

At the outset, the project was consistent with the objectives of ITTA 1994 & 2006, ITTO Yokohama Action Plan (2002-2006) & 2008-2011 Action Plan through the promotion of increased and further processing of tropical timber from sustainable sources for industrialization and thereby increasing employment opportunities and export earnings, further support R & D with a view to improving forest management and efficiency of wood utilization as well as increasing capacity to conserve and enhance forest values, promotion of increased & further processing of timber, wood marketing and exports from sustainably managed sources, transfer of technologies as well as encourage sharing of information. The actual contribution to ITTO's SFM work is on the conduct of 139 in-house trainings for 860 participants-owners, executives and supervisors on wood processing techniques, quality/industrial management and marketing aspects, far exceeding the 500 people initially planned, and its multiplier-effect towards continuous implementation of efficient wood processing techniques producing high quality wood products for much lower production costs and wood wastes by the wood processing industry.

The project employed the in-house training programs conducted in 50 mills of ISWA members, as it was found more effective mode of training compared to conventional, class room training format considering that technology transfer is transparent, effective and smoothly done through problem solving-oriented means via direct learning by doing. It allows direct observation of problems encountered, discussions between trainers and trainees as well as amongst trainees, and provide opportunities for technical demonstration to overcome existing problems and prevent potential problem from occurring.

The significant project outputs are shown below:

- 50 mills in 5 provinces conducted and hosted 139 in-house training sessions, out of 150 training sessions planned, for 860 participants trained in wood processing techniques, and a quality-testing laboratory established at ISWA headquarter in Jakarta, for use by the members; and
- 9 technical reports developed and published, including information on 43 wood species, on experimental use of 23 lesser-used species (LUS) and on 5 major export markets compiled and distributed to ISWA members. These technical information and data are uploaded at ISWA website and popularized & published at ISWA Bulletin.

The ex-post evaluation confirmed that the project strategy was sound, as it was modified during its implementation stage at the request of its direct beneficiaries. The modified strategy has been successfully achieved with its intended outcome and with the intention to increase workability and effectiveness of the strategy in achieving the objectives of the project. Such modification of strategy was followed by adjustment to LFM that allowed assessment of achievement in an objective manner. This was demonstrated by the positive impacts provided by the project to its primary beneficiaries through the provision of technical trainings through in-house sessions and that intervention generated direct financial gain to participating mills through improved processing efficiency and product quality management.

The sustainability of project impacts is secured through changing attitude of large number of mill owners and executives whom no longer act as traders seeking for short term profit, but as investors striving for long-term business survival. The mills/companies hosting the in-house training were found interested in applying the technical and managerial advices conferred by the Project for simple reason. When properly applied the advices did generate direct financial gain through reduced production cost and increased price of processed products. Increased wood recovery by 3% as reported by training participants to the 2<sup>nd</sup> national workshop for instance, entails saving of huge amount of money through reduced production cost. This direct financial gain served as a strong incentive for the companies to continue using the advices and recommendations of the Project. As a profit making entity, indeed a company is striving to maximize profit by reducing input costs and increasing selling price of its products. And the advices of the project were proved able to contribute significantly to this strive. That is to say that the financial gain generated by the project will sustain the interest of processors in using the outputs and results of the project.

Other companies also had repeatedly indicated their interest in applying the technical recommendations of the project in their production processes. The interest was triggered by the financial gains experienced by those companies hosting the in-house training program.

Finally, it is worth mentioning that the Ministry of Forestry had also indicated its strong interest in developing and implementing in-house training program on processing efficiency and product quality management using state funds in collaboration with wood industry associations. The intention is to continue the work that has been initiated by ITTO and ISWA in view of promoting competitiveness of the national wood industry in international markets. Surely, this intention of the government, if materialized, would have contributed to sustainability of the project.

## **Lesson Learned**

- a. The project was a follow-up to a completed pre-project, thus, it was built on findings of the pre-project. However, the project intervention designed was found not feasible to implement. The primary beneficiaries, expected to support its implementation, disagreed with the design and insisted in making modification. Apparently, proponent of the project failed to review the design of the project during its formulation stage. Therefore, a full project proposal, even if it is built on pre-project findings, should be developed with active participation of primary beneficiaries and main stakeholders to ensure its workability to achieve desired objectives of the project.
- b. The project strategy was modified during its implementation stage at the request of its primary beneficiaries. The modified strategy for implementation had successfully achieved the intended outcome of the project as the modification was made at the request of target beneficiaries with the intention to increase workability and effectiveness of the strategy in achieving objectives of the project. Such modification of strategy was followed by adjustment to the logical framework that allowed assessment of achievement in an objective manner.

- c. The project intervention generated direct financial gain to participating mills, even before completion of the project, through improved processing efficiency and product quality management. Direct financial gain accrued to beneficiaries had served as a strong incentive for them to continue using the advices accorded by the project. Information on the gain received by non-participating mills had triggered their enthusiasm to take part in future similar training program.
- d. The Executing Agency had been able to implement and complete the project successfully without any serious operational problems. This was due mainly to the full support of ISWA member companies, as the primary beneficiaries, brought about by the already established institutional and personal network between ISWA and its members, able experts and staffs and active participation of other stakeholders, especially MOF and ITTO.
- e. The in-house training sessions were also attended by many owners and executives of host companies. They had gained deep understanding on the role of processing efficiency and product quality in determining competitiveness and business survival. This understanding certainly affects sustainability of the Project. Sustainability of project's impacts is secured through the changing attitude of large number of owners and executives whom no longer act as traders seeking for short-term profit, but as investors striving for long-term business survival. Participation of owners and executives in similar future training program is strongly advisable.
- f. The appreciation by mill owners, executives and employees of the critical role of processing efficiency and quality management play in determining competitive advantage and business survival has been one of the most invaluable long lasting impacts of the project.
- g. In-house training is a more pragmatic and effective format of training on technologies and skills as it can be tailored to solve the specific problems facing individual mills, accommodates large number of participants at minimum cost, allows for direct participation of trainees in problem identification, and discussion as well as technical demonstration.
- h. It was noted that baseline information on performance of individual mills and procedures for monitoring of progress must be first developed prior to commencing the in-house training to allow quantitative assessment of actual effect of the training program. As this was not done by the Project, effect of the training could not be assessed accurately.
- i. The workshops, seminars and dissemination of technical documents to relevant stakeholders were the primary vehicles used by the project for information sharing and promoting the training results as well as future training needs.

## Conclusions

The following conclusions in the whole evaluation process of the project are shown below, to wit:

- a. The identification of the problem to be addressed was based on the findings of a completed pre-project which revealed the problems facing the national wood industry, and the identification process was adequate.
- b. The project design was derived through a thorough analysis with the aid of problem tree. However, the results of the problem analysis, especially the problem elements identified, should have been presented first to key stakeholders or direct beneficiaries in an inception phase for their comments and favorable consideration. As such, formulated project strategy would have been directly applicable without modifications through the end of the project.
- c. The project was collaboratively governed and the budget was spent within the limits through the PMT's day to day operations and the PSC's decision-making process. Close collaboration between and among key stakeholders and primary beneficiaries, e.g. ISWA members, which enabled them to build linkages and share information and updates in the interest of proper project management and sustainability aspects.

- d. A stronger political leadership is needed to safeguard the positive impacts of the project in the future, especially the clear statement from the Director General of Forestry Products Management (DG-FPM) at the last PSC Meeting on the need to continue the work of the project by developing appropriate in-house training program to be implemented using government (GOI) budget.
- e. The project was managed in full compliance with the ITTO rules and procedures, with four (4) YPOs seven (7) bi-annual progress reports and three (3) yearly financial audit reports submitted to ITTO during the course of project implementation. The employment of project personnel, international and national consultants and sub-contractors as well as procurement of capital items were made with the approval of ITTO.
- f. Finally, the project has produced a dearth of information and data on wood processing efficiency and products quality, as documented in nine (9) technical reports and important events popularly disseminated in national workshops/seminars, in ISWA Bulletins and ISWA Website, which were all very comprehensive and impressive, however, none of them have been published in any of the international/regional journals, periodicals and newsletters for wider distribution and utility.

## **Recommendations**

The following recommendations for future actions will further support the sustainability of project benefits and help further development of the wood industry sector in Indonesia, such as:

- a. There is still significant need in Indonesia for information and trainings on wood efficiency processing and products quality considering that only 10% of ISWA members were directly involved in this project which further require continued assistance of donor community like ITTO, including dissemination of information or public awareness program, i.e. with enhanced and expanded extension services that are consistent with any agreed wood industry sector development strategy.
- b. The in-house training mode is a pragmatic way of conducting training in wood efficiency and products quality, and the project beneficiaries (ISWA members) favorably adopted such training module and should therefore be encouraged to further develop and test systems for potential upscaling and replication in more mills throughout the country. It is therefore recommended that ISWA and GOI seek for the needed resources to support and implement similar training program in the future.
- c. The importance of regional networking with neighboring countries in ASEAN should also be emphasized and pursued to exchange and share the wealth of wood industry information and technologies generated by this project for future marketing strategies and collaborative partnerships. For instance, the project can link with the existing networks established in ASEAN to enhance and harness the best available wood science and technologies for sustainable development of the people and the environment of the region.