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EX-POST EVALUATION REPORT

EXECUTIVE SUMMARY

ITTO Project PD 521/08 Rev.3 (I)

**Participatory Forest Management for Sustainable Utilization of
Non Timber Forest Products (NTFP) Surrounding the Protected Area
of Rinjani and Mutis Timau, Mt. Nusa Tenggara Indonesia
(Indonesia)**

Prepared for ITTO

by

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[The full final report is available on request from the Secretariat]

Executive Summary

1. Introduction

The Committee on Economics, Statistics and Markets and the Committee on Forest Industry (CEM-CFI), during their Forty-Eighth Session in November 2014 decided that an ex-post evaluation of ITTO PD 521/08 Rev.3 (I) be conducted to establish how well the project served its purpose and draw recommendations for future action.

The ex-post evaluation was carried out on 4-11 May 2013 or approximately twenty-two months after project completion.

This report provides an in-depth diagnosis of the project, identifying its successful and unsuccessful outcomes, the reasons for the successes and failures, the sustainability of the project's outcomes, and contribution towards the achievement of ITTA 2006 Objectives and ITTO Strategic Action Plan 2008-2011, and to draw lessons that can be used to improve similar projects in the future.

2. Evaluation scope, focus and approach

The evaluation commenced with a review of the project design, logical framework matrix, planned vs. reported outputs, and intended outcomes based on the project document, progress reports, technical reports, the completion report and other associated documents provided by ITTO for this evaluation. Guide questions for key project staff and selected participants were formulated.

The Project Coordinator, the Directorate General of Watershed and Social Forestry (EA) representative, and Ministry of Forestry staff were briefed on the purpose and methodology of the ex-post evaluation during the opening meeting held in Jakarta on 4 May 2015.

From 5-9 May 2015, on the spot evaluation, interviews and meetings were held with project field staff, participating community leaders and farmers, and representatives of participating local institutions in the villages of Aik Berik and Mumbul Sari in West Nusa Tenggara, and the village of Fatumnasi in East Nusa Tenggara. The Project Field Coordinator and four project technical consultants were also interviewed in Mataram City.

Initial findings were discussed with the EA after the preliminary evaluation report was presented during the exit conference held on 11 May 2015 in Jakarta. The Project Coordinator was requested to provide additional information needed to complete the analysis of the project's performance.

3. Project facts

ITTO PD 521/08 Rev. 3 (I) was implemented by the EA (which is under the Ministry of Forestry, Indonesia) in collaboration with the World Wide Fund For Nature, Nusa Tenggara Province (WWF), and the Forestry Service in Nusa Tenggara Province. Implementation started on 2 June 2011 and was completed on 31 August 2013, or a total project duration of 27 months.

The project addressed the problem on the very limited participation of forest-dependent communities living in the vicinities of Mount Rinjani and Mount Mutis in the sustainable utilization of NTFPs and the conservation of protected forests. The project specifically aimed to

- improve the capacity of forest-dependent communities to obtain permits to utilize the NTFPs in the protected forests; and
- develop an elaborated management plan for economically viable extraction of NTFPs through a community participatory process.

The total ITTO Contribution was USD 490,374. Of this amount, ITTO retained USD 71,324 for project monitoring and review, ex-post evaluation, and programme support costs. Upon completion and ITTO's approval of the project's audited final financial report, the EA returned an unspent amount of USD 18,645.60.

4. Findings and lessons learned

4.1 Project Achievements

The project team completed all planned activities with some deviations approved by the PSC. The project outputs are described as follows:

- Forest communities in North and Central Lombok successfully set up cooperatives and were able to acquire permits to utilize NTFPs from designated areas in protected forests. In terms of additional forest area managed sustainably by communities in Nusa Tenggara, the new permits cover an additional 3385 hectares, i.e. 1516 hectares in North Lombok, and 1869 hectares in Central Lombok.
- An elaborated management plan for the sustainable development of priority NTFPs was completed. The plan highlights the importance of building a shared vision and mission for NTFP management, formulating development direction, objectives and strategies for the community, the institutions and businesses. It includes a matrix of responsibilities of all key agencies involved in the sustainable utilization of NTFPs. Using the elaborated management plan as template, the project assisted the North Lombok and Central Lombok communities to draft management plans for their priority NTFPs.

A key project accomplishment was the conduct of a detailed study on the policy options that local governments can implement to support sustainable utilization of NTFPs. Within the project duration, the districts of North Lombok and Central Lombok were able to implement three (out of six) recommended policy options. The policies are:

- Establishment of a district NTFPs working group;
- Identification of priority NTFPs on a district level; and
- Implementation of guidelines for the sustainable utilization of NTFPs.

The priority NTFPs identified were honey, bamboo, candlenut, durian, sugar palm, jackfruit, areca nut, avocado, and various medicinal plants. With the assistance of the Provincial Extension Coordinating Agency, North and Central Lombok NTFP business groups successfully acquired all required product certifications, were issued business permits and registered with the Provincial Trade and Industry Service.

Forest farmers in Fatumnasi village (in East Nusa Tenggara) who participated in training courses organised by the project, successfully set up a community-based cooperative for the production of wild honey from sustainably managed forests. Their product has been successfully commercialised and is being distributed through various outlets in the province. So far the members have benefitted from income generated from their business venture, and are able to avail of loans from their cooperative for various needs such as for their children's education.

4.2 Project Formulation and Implementation

The problem addressed in this project was identified in 2008 through a series of discussions conducted by WWF Indonesia with forest community leaders, farmers, forestry service staff (provincial and district levels), university researchers, and other stakeholders in the West Nusa Tenggara province. WWF also held a series of meetings with the Ministry of Forestry-ITTO Clearing House.

The project strategy was appropriate. By improving the capacity of forest-dependent communities and the local governments, the project objective was achieved in the target communities within a 27-month period. However, more careful study of the project design, particularly the vertical logic of the project elements, would have resulted in more efficient pacing of activities and shorter timelines.

The project implementation involved 11 forest-dependent villages within the vicinities of Mt Rinjani and Mt Mutis. The Project Implementing Unit (PIU) was structured in such a way that the EA and the collaborating agencies were represented. Four academic staff from the University of Mataram served as project consultants. Aside from the provincial and district Forestry Service units, members of the local parliament, District Planning Agency, Provincial Extension Coordinating Agency and the Provincial Trade and Industry Service participated in the project. Community leaders, farmers, heads and members of NTFP-based small businesses and industry groups took part in training courses and extension activities.

Some activities were delayed and others took longer than planned due to unexpected project staff turnover and the change of leadership in some local governments. Also, the timing of project activities was sometimes not compatible with the target participants' priorities, such as during the harvest season.

Compared to the participating communities in Mt Rinjani, the forest-dependent communities in Mt Mutis adopted the project interventions at relatively slower pace. The approach taken by the project in enjoining indigenous communities to participate in project activities took into consideration the strong cultural traditions and beliefs that continue to influence upland people's attitudes on land use and forest practices.

The project was completed on a three months extension until August 2013. No additional funding support was requested by the EA, however the budget was realigned in May 2012 to enable the completion of field activities. The planned hiring of an international consultant was not pursued; instead a local consultant performed the required task. All project outputs were delivered within the total approved budget, with USD 18, 645.60 unspent and returned to ITTO.

The expected roles of key stakeholders and the terms of reference (TOR) for key project staff were defined in the project document. However, the TORs for the Project Coordinator and Field Coordinator, revisions to the structure of the Project Implementing Unit that were intended to address the Expert Panel's recommendations (39th meeting), and the Memorandum of Understanding (MoU) between the EA and WWF are difficult to reconcile. Inconsistencies in some provisions of these documents may have contributed to problems brought up (during this evaluation) by the EA and the WWF regarding certain aspects of communication, financial and overall project management.

In a project monitoring and evaluation meeting, the Project Steering Committee (PSC) recommended more appropriate indicators, and for baseline data associated with the indicators to be determined at the project sites. A review of the project appraisal reports shows that the Experts Panel (37th and 38th meetings) had previously recommended such changes to the project logical framework matrix. However, the changes made were not done adequately. Clarification of this matter was made during the evaluation exit conference.

The EA complied with all technical and financial reporting requirements. Project acquittal was achieved on 28 January 2014 or five months after the actual project completion date and upon ITTO's approval of the project final audit report and the EA's plan of disposal of project capital items.

4.3 Lessons Learned

- The participatory approach used in the development of training modules, management plans, business models and policy options for the sustainable utilization of NTFPs, together with the project's technical assistance to local governments on the formulation of strategic policies on NTFP utilization were effective in achieving the desired outcomes within the project duration.
- The indigenous people's beliefs on the essential elements of life are generally aligned with the principles of sustainable forest management. Sustainable management of upland forests can be achieved by engaging indigenous communities using an approach that takes into consideration their cultural beliefs and traditional practices.
- The additional income derived by forest farmers from community-based enterprises drives their participation in sustainable forest management.
- The active participation of target communities and the relevance of studies implemented by project consultants contributed significantly to the success of the project.
- The established presence of the collaborating agencies in Nusa Tenggara was key to the willingness of forest farmers and local institutions to participate in the project.
- While the uncorrected logical framework matrix seemed not to have significant effect on the project at the outset, this evaluation found that the usefulness of the logical framework matrix is diminished when determining the project boundaries, tracking project progress and evaluating project performance.

5. Conclusions and Recommendations

5.1 Conclusions

The outputs and specific objective of ITTO PD 521/08 Rev. 3 (I) were completed within 27 months or 3 months longer than planned. The participation of target communities in sustainably utilizing NTFPs has been reasonably improved as a result of the (i) training courses on sustainable forest management, business skills and entrepreneurship, and awareness seminars on the environmental, social and economic benefits of protected areas; and (ii) the technical assistance provided to local communities in formulating an elaborated management plan for priority NTFPs.

The most important achievements of the project were the formulation and implementation of three local government policies to support sustainable utilization of NTFPs, and the expansion of protected forest area covered by sustainable forest management. These achievements support the Ministry of Forestry's NTFP Development Policy and Community Forest Regulation.

The achievement of the project objectives in the target communities is attributed largely to the active participation of stakeholders and the participatory approach used in the development of training modules, management plans, business models and policy options.

Timely translation of the policies into a regulatory framework at the provincial level and the incorporation of priority NTFPs identified in this project in the list of priority commodities under the Ministry of Forestry's Community Forest Regulation are envisioned to deliver wider impact and long-term sustainability of project impacts.

5.2 Recommendations

For the EA

1. Prioritise support for the realization of the three remaining recommended policy options to support sustainable utilization of NTFPs, i.e. (i) development of a local government policy on NTFPs partnership and trade regulation that will enable NTFP business groups to forge partnership with major industry players; (ii) translation of the administrative policies on NTFPs into a regulatory framework; and (iii) conduct of an executive review of the Ministry of Forestry's Community Forest Regulation (No. P.35/Menhut-II/2007) and amend the Annex on the priority commodities by adding the priority NTFPs identified in this project.
2. Support capacity building for indigenous communities, including identifying opportunities and developing strategies for sustainable forest management in upland areas, and the conduct of research on the traditional beliefs and forestry practices in forest-dependent communities.
3. In future projects with a similar objective, adopt this project's strategy however taking particular note of the insights on project design as pointed out in this evaluation.
4. In implementing future ITTO projects, the key implementing officer(s) should exercise due diligence in examining the consistency of the project document, agreements, TORs and other instrumentalities and bring up all issues with the EA, ITTO and the PSC in a timely manner.

For ITTO

1. On the project appraisal process, conduct more thorough evaluation of the project logical framework matrix presented in the project document, and the effectiveness of the work plan in the execution of the project as designed.

Management Response

Management Response to ITTO Ex-Post Evaluation	
<p>Project Title: Participatory Forest Management for Sustainable Utilization of Non-Timber Forest Products Surrounding the Protected Area of Rinjani and Mutis Mountains, Nusa Tenggara Province, Indonesia</p> <p>Project ID: ITTO PD 521/08 Rev. 3 (I)</p>	
<p>A) Overall Response to the Evaluation: <i>(Please insert your overall views on the evaluation report, e.g. structure, methodology and its conclusions)</i></p> <p>This evaluation report has good structure and methodology. The recommendations are also very helpful to review policy in developing NTFPs as important commodities for communities to increase their welfare and to support sustainable forest management.</p>	
Evaluation Report Recommendations*	B) Response to recommendations <i>(e.g. 'accept', 'partially accept' or 'reject' – please provide a brief explanation)</i>
<p>Recommendation 1 Prioritise support for the realization of the three remaining recommended policy options to support sustainable utilization of NTFPs, i.e.</p> <ul style="list-style-type: none"> (i) development of a local government policy on NTFPs partnership and trade regulation that will enable NTFP business groups to forge partnership with major industry players; (ii) translation of the administrative policies on NTFPs into a regulatory framework; and (iii) conduct of an executive review of the Ministry of Forestry's Community Forest Regulation (No. P.35/Menhut-II/2007) and amend the Annex on the priority commodities by adding the priority NTFPs identified in this project. 	<ul style="list-style-type: none"> - (i) accept - (ii) accept - (iii) partially accept: to amend the Annex of the MoF Forest Regulation needs a long process including getting an agreement from many stakeholders, hence this NTFPs can be declared as priority commodities in local government regulation regarding NTFPs. Beside that, the recommendation should also mention the NTFPs identified in this project.
<p>Recommendation 2 Support capacity building for indigenous communities, including identifying opportunities and developing strategies for sustainable forest management in upland areas, and the conduct of research on the traditional beliefs and forestry practices in forest-dependent communities.</p>	Accept
<p>Recommendation 3 In future projects with a similar objective, adopt this project's strategy however taking particular note of the insights on project design as pointed out in this evaluation.</p>	Accept
<p>Recommendation 4 In implementing future ITTO projects, the key implementing officer(s) should exercise due diligence in examining the consistency of the project document, agreements, TORs and other instrumentalities and bring up issues with the EA, ITTO and the PSC in a timely manner.</p>	Accept

Name, Title and Institution of Respondent:

Dudi Iskandar, SE, M.Hum.

Head of Division of Law and Technical Cooperation

Secretariat Directorate General of Watershed Controlling and Protected Forest

Ministry of Environment and Forestry

Date, Signature:

28 August 2015

