

# COMPLETION REPORT

**ITTO PD.396/06 REV.2 (F)**

**Strategy for Developing Plantation Forest:  
A Conflict Resolution Approach in Indonesia**

**Host Government : Indonesia**

**Executing Agency : Directorate Plantation Forest Development,  
Directorate General of Forest Utilization,  
Ministry of Forestry**



**Jakarta, August 2012**

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Project Number : PD 396/06 REV. 2 (F)

Project Title : Strategy for Developing Plantation Forest:  
A Conflict Resolution Approach in Indonesia

Starting Date : Officially started in December 2007

Duration of the Project : 36 months  
Extended 12 months without additional funds

Project Cost : Total US \$ 645,694  
ITTO US \$ 508,234  
GOI US \$ 137,640

Type of Report : Completion Report

Project Staff :

- Project Coordinator : Mr. Andi Andriadi
- Secretary / Finance : Ms. Richma Wahyuni

Executing Agency : Directorate of Plantation Forest Development,  
Directorate General of Forest Utilization, Ministry of  
Forestry.

Place & Date Issued : Jakarta, August 2012

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## FOREWORD

The ITTO PD 396/06 Rev.2 (F) : “*Strategy for Developing Plantation Forest : A Conflict Resolution Approach in Indonesia*” had been implemented by the project executing agency, the Directorate Plantation Forest Development, Directorate General of Forest Utilization, Ministry of Forestry of Indonesia from December 2007 to June 2012. This report signifies completion of the project and summarizes the project elements, implementation strategy, outcome as well as involvement of target beneficiaries and lessons learned from the implementation of the Project.

We wish to take this opportunity to express our sincere gratitude to all concerns involved in the implementation of the project that made possible to complete the Project successfully in compliance with ITTO rules and procedures as well as applicable policy of the Government of Indonesia. In particular, we wish to thank ITTO and the donor countries, namely the Government of Japan for their financial contribution to the Project; the Ministry of Forestry of Indonesia, Directorate General of Forest Utilization in particular for the great attention and assistance devoted to the Project; Project institutional partners, namely Forestry Services of Jambi Province, Forestry and Estate Services of Kabupaten Tanjung Jabung Timur, Forestry Services of South Kalimantan Province, and Forestry Services of Kabupaten Tabalong, as well as plantation forest concessionaires of PT. Wira Karya Sakti (Jambi) and PT. Aya Yayang Indonesia (South Kalimantan) for their active participation during the project implementation; Project Coordinator, Project Secretary, as well as National Consultants, and National Trainers for their untiring efforts in implementing and completing the Project smoothly; and to all other concerns that had contributed in one or another to the successful implementation and completion of the project.

We do hope that the findings of and the lessons learned from the Project as reported in the Technical Reports of the Project would be useful for supporting the plantation forest development in Indonesia.

Jakarta, 8 August 2012

ITTO PD.396/06 Rev.2 (F)

Project Coordinator

ANDI ANDRIADI



## ACRONYMS

FORDA	: Forestry Research and Development Agency
GOI	: Government of Indonesia
ITTA	: International Tropical Timber Agreement
ITTO	: International Tropical Timber Organization
IUPHHK-HTI	: Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Tanaman Industri) (Industrial Plantation Forest Concessionaire)
LFM	: Logical Framework Matrix
MOFI	: Ministry of Forestry of Indonesia
PSC	: Project Steering Committee
YPO	: Yearly Plan of Operation





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## EXECUTIVE SUMMARY

1. The ITTO Project PD 396/06 Rev.2 (F) : “Strategy for Developing Plantation Forest : A Conflict Resolution Approach in Indonesia”, (the Project), was a follow up to completed pre-project PPD 56/02 (F) “Strengthening central and sub national institutions to enhance plantation forest development in Jambi and South Kalimantan”. The Project was relevant to Indonesia’s forestry development policy and consistent with the International Tropical Timber Agreement (ITTA) 1994 as well as the International Tropical Timber Organization (ITTO) Yokohama Action Plan.
2. The Project executing agency was the Directorate of Plantation Forest Development, Directorate General of Forest Utilization, Ministry of Forestry of Indonesia. Total budget of the Project was US \$ 645,694 comprising contribution of ITTO and the Government on Indonesia (GOI) in the amount of US \$ 508,234 and US \$ 137,460, respectively. Duration of the project was initially planned for 36 months; a 19 months extension without additional budget was granted by ITTO for completing the project and fully achieving its intended objectives.
3. The project addressed that social conflicts happen between community and plantation forest concessionaire is key problem that made ineffective progress of plantation forest development. It is nearly impossible to find clear and clean area for plantation forest development. It is also high cost to resolve conflict and create clear and clear forest land. Therefore, stakeholders desire to develop collaborative plantation forest since it could provide other sources of welfare for the community and it could also use as practical mean to address social conflicts. However, in developing collaborative plantation forest, there are critical issues to be considered namely (i) lack of strategy and mechanism for collaborative plantation forest in term of (a) lack of acceptance of current strategy in plantation forest development, and (b) absence of demonstration areas; and (ii) lack capacity of local community in term of (a) adopting strategy and legal framework, (b) managing nursery and producing vegetative propagation, (c) conducting appropriate planting and maintaining planted trees, and (d) executing proper financial management.
4. Based on the above mentioned condition, the project was set up Specific Objectives of (i) A collaborative plantation forest management approach is made available, and (ii) Conditions are established for the adoption of the approach by relevant stakeholders. The specific objectives made to comply with the Development Objective that is increased wood production from plantation forests meets domestic and export demand for raw materials, thereby reducing reliance on natural forest extraction. In order to achieve the Specific Objectives, the project set up the Project Outputs, namely: (i) Develop strategy, legal framework and institution, and mechanism of collaborative plantation forest; (ii) establish demonstration sites and conduct appropriate collaborative plantation forest management; (iii) setting up condition to adopt collaborative plantation forest; (iv) enhance community capacity through training

activity; and (vi) develop contractual arrangement for implementation of collaborative plantation forest development. In order to deliver the project outputs the project set up 33 project activities to be conducted.

5. In order to implement project activities, deliver project outputs and achieve specific objectives, the project set up Logical Framework Matrix that among other stated assumptions or enabling condition that should be fulfilled during the project duration. Fortunately, the assumptions were fulfilled during the project duration. Therefore, by conducting implementation strategy in term of keep continuous communications with project partner, fitting project time schedule with field conditions, developing mutual collaboration between community and plantation forest concessionaire and consultation with local forestry services, the project could consequently conducted all activities, deliver project outputs and achieve specific objectives.
6. Considering achievement of Specific Objectives, the tangible outputs that gathered by the project were as follow :
  - The strategy for developing collaborative plantation forest and the mechanism of collaborative plantation forest establishment through conflict resolution approach had been formulated and documented through The Project Technical Reports of Volume 1 and Volume 4-A and Volume 4-B, namely :
    - (i) Technical Report Volume 1: *“Output 1.1. The Strategy, Legal Framework, and Institution Arrangement of Collaborative Plantation Forest Management in Jambi and South Kalimantan Provinces are accepted by all concerned stakeholders”*.
    - (ii) Technical Report Volume 4-A: *“Strategy for Developing Collaborative Plantation Forest : A Conflict Resolution Approach in Indonesia”*
    - (iii) Technical Report Volume 4-B : *“Practical Mechanism of Conflict Resolution on Plantation Forest Development in Indonesia”*
  - Strategy for collaborative plantation forest development had been adopted and implemented within two demonstration sites as follow:
    - (i) In South Kalimantan Province, the demonstration site is located in village of Panaan, Sub District of Bintang Ara, Region of Tabalong of 50 hectares and managed by collaborative parties of farmer group “Bina Hutan Lestari” (20 farmer members) and plantation forest concessionaire of PT. Aya Yayang Indonesia. The selected tree species of Karet (Rubber, *Hevea spp*) and Sengon (*Paraceriaanthes auriculiformis*) were planted and maintained of each 20 hectares and 30 hectares.
    - (ii) In Jambi Province, the demonstration site is located in village of Pematang Rahim, Sub District of Mendahara Ulu, Region of Tanjung Jabung Timur of ± 55 hectares and managed by collaborative parties of farmer group “Harapan Mulia Lestari” and plantation forest concessionaire of PT. Wira Karya Sakti.

The selected tree species of Jelutung (*Dyera, sp*) were planted and maintained.

Based on communication approach conducted by the National Consultant, the project found out that in average every farmer member could only managed plantation areas up to 2 (two) hectares. If a farmer granted more that 2 (two) hectares plantation areas, he should necessary involve additional farmer as his employee in order to manage the plantation areas.

- The project had formulated the technical design and plan to manage designated demonstration sites of collaborative plantation forest in Jambi and South Kalimantan Provinces. The technical design and plan was documented as The Project Technical Report Volume 2 entitled *“Rancangan dan Rencana Teknis Pembangunan Hutan Tanaman Kolaborasi (Lokasi Demplot di Provinsi Jambi dan Kalimantan Selatan) ~ (Technical Design and Plan of Collaborative Plantation Forest Development of Demonstration Sites in Jambi and South Kalimantan Provinces).*
  - Farmers from farmer groups of both Provinces had been well trained on the training of : (i) techniques to establish nursery and mass production of seedling through propagation techniques (10 selected farmers had been trained); (ii) planting and maintaining trees (50 farmers had been trained) and (iii) financial arrangement and management.(10 farmers had been trained). Considering the training activity, the project had developed the training manual (modules) and published as Technical Reports Volume 3 entitled *“Manual Pelatihan : (i) Teknik Persemaian dan Silvikultur; (ii) Penanaman dan Pemeliharaan Tanaman; (iii) Pengelolaan dan Manajemen Keuangan” (Training Manuals of (i) Nursery and Silviculture Techniques; (ii) Planting and Maintaining Plantation; and (iii) Financial Arrangement and Management).*
  - The project was operationally managed by the PIU comprising the Project Coordinator and Secretary. Field operations were supported by the National Consultants, National Trainers, Forest Technicians, Forestry services of Province level and Region Level. The project was also supported by commitments shared by plantation forest concessionaires and farmer groups either as project beneficiaries or project partners.
  - The project was managed in full compliance with the ITTO rules and procedures. During project duration, four YPOs, ten bi-annual progress reports and four yearly financial audit reports and final audit reports had been submitted to ITTO. Employment of project personnel, national consultants and national trainers and sub-contract activities as well as procurement of capital items were made with the approval of ITTO.
7. To secure continuation of collaborative plantation forest management within two demonstration sites, the collaborative parties (farmer groups and plantation forest concessionaires) had been officially issued and signed the agreements or the MOUs of collaborative plantation forests development.

Farmer groups could join any governmental program on community development to enhance farmers and group capacity, while the plantation forest concessionaires could set up their CSR programs to support collaborative activities.

8. Throughout the adoption of the strategy of collaborative plantation forest development, conflicts could be transferred into a collaborative management of plantation forest. The strategy could also be considered as an approach to enhance community access into plantation forest development as well as to improve their livelihood and welfare. The role of local government is very important since conflicts should be handled and resolved based on bottom up process. Appropriate policy and institution such as communication forum would be needed at least within region governmental level. Similar institution would also be needed at provincial level to handle larger conflicts. Accordingly, certain policy and regulation, budget and standard of operating procedure in conflict resolution should be continuously provided.
9. Despite of the 19 months extension in time without additional funding approved by the ITTO, the project had been implemented smoothly in compliance with the Project Agreement and ITTO rules and procedures as well as due to the support afforded by the target beneficiaries, PSC, and cooperating institutions.
10. The ITTO budget allocation of US \$ 396,463.00 that could be utilized by the project had been all installed in 6 (six) installments. Until the end of the project (June 2012), the project has been expended the total amounts of US \$ 394,605.53 and the final budget balance of the project is US \$ 1,857.47 The Final Financial Audit of year 2012 has also been finalized and submitted to the ITTO Secretariat.
11. Institutions and stakeholders involved in the project and considered as project beneficiaries were Directorate of Plantation Forest Development, Directorate General Forest Utilization, Ministry of Forestry of Indonesia; Forestry Services of Jambi and South Kalimantan Provinces; Region of Tanjung Jabung Timur (Jambi) and Forestry Service of Tabalong Regency, South Kalimantan The project also involved mutual collaboration with plantation forest concessionaires of PT. Wira Karya Sakti in Jambi Province and PT. Aya Yayang Indonesia in South Kalimantan Province.
12. Conclusions
  - i) The identification of the problem to be addressed was based on the findings of completed pre-project which revealed the problems facing by the plantation forest development and focused on social conflicts problems. The identification process was adequate.
  - ii) Design of the project was derived throughout analysis with the aid of problem and objective trees. The design was sufficient and formulated implementation strategy conformed with prevailing conditions and formulated assumptions. Planned activity was fitted to outputs indicators and specific objectives of the project.
  - iii) Implementation of the project went smoothly despite the 19 months extension in time without additional funding. The extension was required for completing the project. The

project needed to rearrange some field activities and sequence activity and time schedule adjustments in order to avoid unnecessary budget expenditure and to ensure effective achievement of the project objectives. The smooth implementation was attributable mainly to the timely installment of funds by ITTO, availability of cooperating institutions and consultants as well as support by the primary beneficiaries (farmer groups and plantation forest concessionaires) and concerned government institutions and officials.

- iv) The project was operationally managed by the PIU. All administrative procurements such as submission of YPO, Biannual Progress Reports, and financial audit reports were accomplished and submitted to ITTO. Employment of project personnel, national consultants and national trainers and sub-contract activities as well as procurement of capital items were made with the approval of ITTO.
- v) The specific objectives of the project was achieved by delivering all planned outputs, which were achieved through execution of planned activities. The project has contributed to the development objective in term of preparing enabling conditions to achieve successful plantation forest development through (i) developing strategy for collaborative plantation forest development as conflict resolution approach, and (ii) setting an alternative solution to enhance community access and participation through a community based forest management.
- vi) The results of the project have been disseminated through the national workshops and seminar, meetings of the PSC and distribution of technical reports to relevant stakeholders of nationwide.

### 13. Recommendations

- i) Conflict on plantation forest development was mostly involved many stakeholders with different circumstances. Therefore, it is necessary to identify advantage and disadvantage situation prior to implementing planned project activity. Any disadvantage situation could change project implementation strategy which may result in delayed project completion.
- ii) For any forestry project involved local community, it needs to involve local professionals, such as technical facilitator or extension expert to facilitate the project in developing and maintaining continuous communication and conduct project activity properly.
- iii) Repressive action to resolve conflicts in plantation forest development should be avoided since it would be very costly in terms of economic cost and social cost. Strategy of collaborative plantation forest development could be considered as conflict resolution option.
- iv) The plantation forest concessionaire has obligation to allocate 5 % of its management unit areas for community development. Therefore it is recommended that plantation forest concessionaire should promote collaborative plantation development either to comply with its obligation or to resolve conflicts existed in its management unit areas



- v) The collaborative plantation forest development as conflict resolution approach offered by the ITTO PD.396/06 Rev.2 (F) may very little compare to expanded conflicts happen in plantation forest development. However, it is recommended to implement the strategy and mechanism of collaborative plantation forest development to resolve the conflict at site levels since it could show positive and promising results.
- vi) It is recommended that regional and provincial government should facilitate continuation of activities under the MOU of Collaborative Plantation Forest Management in demonstration site in Jambi and South Kalimantan Provinces.

# 1. Project Identification

## 1.1. Context

The project entitled: “Strategy for Plantation Forest Development: A Conflict Resolution Approach in Indonesia”, (the project), was a follow up to completed the ITTO pre-project PPD 56/02 (F): “Strengthening Central and Sub-National Institution to Enhance Plantation Forest Development in Jambi and South Kalimantan”. The pre-project revealed key problems faced in developing plantation forest in Indonesia.

Among the key problems, the pre-project indicated that conflict of social among stakeholders especially between local community and plantation forest concessionaire has increasingly become a major problem in determining the progress of plantation development. The collaborative forest management is desired since it has some elements that could provide other sources of welfare for the community surrounding forest areas and as it could also use as practical mean to address social conflicts.

Based on forestry national program, during 2005-2009, the Ministry of Forestry embarked five priority programs, namely : i) combating illegal logging, ii) rehabilitating and conserving forest resources, iii) revitalizing the forestry sector focusing on the wood industry, iv) economically empowering people living in and around forest areas, and v) stabilizing forest land area and preventing forest fires.

Further, based on the Strategic Plan of Forestry Development of year 2010-2014, the Ministry of Forestry has issued six priority programs namely: i) forest areas stabilization, ii) forest rehabilitation and enhancement of watershed carrying capacity, iii) forest protection and forest fire prevention, iv) biodiversity conservation, v) revitalization of forest utilization and forest industry, and vi) empowerment of community living in and around forest areas.

During years of 2005-2009 and 2010-2014, referring to the forestry priority development program of (i) forest rehabilitation and (ii) empowerment of community living in and around the forest, the Government of Indonesia has consistently committed to reduce dependence on natural forest and make plantation forest development as a major priority of forestry development programs. The Indonesian Government also recognized local community participation as a requirement to the success of the national plantation forest program towards rehabilitation of degraded forests and lands. Therefore, community based plantation forest development should be promoted to enhance community participation as well as community and private collaboration and simultaneously to resolve conflict in plantation forest development.

Consequently, the Project was kept in line with the national forestry policy and created relevant enabling conditions for establishment of community and private collaboration based plantation forest development through conflict resolution approach.

## 1.2. Origin and problem

The project was built on findings of completed pre-project of ITTO Project PPD 56/02 (F): “Strengthening Central and Sub-National Institution to Enhance Plantation Forest Development in Jambi and South Kalimantan”, carried out in the Province of Jambi and South Kalimantan, Indonesia in 2004/2005. The pre-project was inspired by the fact that plantation forest developments have several problems such as lack of updated statistical data and information, inadequate capacity at decentralized levels, and lack of adequate access to financial sources, as well as lack of public participation. The pre-project successfully provided (a) up-to-date baseline data for plantation forest development in the provinces and districts of Jambi and South Kalimantan; and (b) regional forums for critical appraisal of the role of plantation forest development in the provinces and districts of Jambi and South Kalimantan.

Results of the pre-project reported that until 2003 the development of plantation forest in Indonesia had achieved only 39.37 % or 2.89 million ha of targeted 7.34 million ha plantation forest. In Jambi Province, the established plantation was only 36.98 % or 168,807 ha of total allocated area of 462,997 ha, and the established plantation in South Kalimantan Province was only 37.83 % or 186,381 ha of the allocated area of 492,675 ha.

The regional workshops in Jambi and South Kalimantan Provinces on Development of Plantation Forest (2004) have critically identified collaborative forest management related issues that should be considered in developing plantation forest:

- a. Collaborative forest management is desired. Because it has some elements that could provide other sources of welfare for the community surrounding forest areas and as a practical mean to address social conflicts. The tree planting and forest management activities should be in a form of cooperation between the industrial forest plantation company and the community or out growers.
- b. Midterm and longer term formal collaborations are desired, to be formalized in a memorandum of understanding among the stakeholders. The collaboration should offer a simple financial program and various benefits for the out growers. The collaboration can take the form of land leasing, crop sharing, and market sharing.
- c. The main problems facing collaborative forest management would be lack of skills and knowledge of the stakeholders, different perceptions among stakeholders, and inappropriate management practices in the rehabilitation of degraded forestlands, land dispute, and lack of financial resources.

In addition, the workshops recognized that there are two critical problems of development and management of industrial forest plantation in Jambi and South Kalimantan provinces, i.e.:

- Land use conflicts between communities around the plantation forest areas and the industrial commercial plantation forest company, and
- High cost for solving the conflicts to create clear and clean lands.

Therefore, it was believed and agreed that developing strategy, institutional arrangement, and mechanism of collaborative plantation forest; empowering local community by transferring appropriate techniques and knowledge of all aspects of plantation forest development; and providing opportunity to implement the collaborative plantation forest management would significantly reduce the conflicts.

## 2. Project Objectives and Implementation Strategy

### 2.1. Project rationale

Completed pre-project of ITTO PPD ITTO Project PPD 56/02 (F): *“Strengthening Central and Sub-National Institution to Enhance Plantation Forest Development in Jambi and South Kalimantan”* revealed that one of the key problems facing by plantation forest development was “conflict of social of among stakeholders especially between community living in around forest areas with plantation forest concessionaire”. Conflicts happen since community has commonly lives or utilizes forest areas for years before plantation forest concessionaire areas established in same forest areas, and on the other hand community demands more access to participate in plantation forest development. The conflicts has significantly determined progress of industrial plantation forest development and plantation forest concessionaire needs high cost for solving the conflicts to create clear and clean lands.

Based on regional workshops held in Jambi and South Kalimantan Provinces (2004), stakeholders desired to develop collaborative plantation forest as a way to resolve conflicts of social in forest area utilization, as well as to enhance community welfare and progress of plantation forest development. However in developing collaborative plantation forest there are critical issues to be considered namely (i) lack of strategy and mechanism for collaborative plantation forest in term of lack of acceptance of current strategy in plantation forest development and absence of demonstration areas of collaborative plantation forest and (ii) lack capacity of local community in terms of lack of capacities (a) to adopt strategy and legal framework, (b) to manage nursery and produce vegetative propagation, (c) to conduct appropriate planting and maintaining planted trees, and (d) to execute proper financial management.

## 2.2. Project objectives and implementation strategy

Based on the key problem, its causes and sub-causes as summarized above, the Objectives of the project were:

### Development Objective

Increased wood production from plantation forests meets domestic and export demand for raw materials, thereby reducing reliance on natural forest extraction.

### Specific Objective

#### a. Specific Objective 1

A collaborative plantation forest management approach is made available.

#### b. Specific objective 2:

Conditions are established for the adoption of the approach by relevant stakeholders.

In order to fulfill the specific objectives, the project designated 8 (eight) project outputs and 33 project activities as shown in Table 1 of the Attachment 1.

### Implementation Strategy

The strategy adopted in implementing the project can be summarized as follows:

- The collaborative efforts will be applied through promotion of mutual understanding, improvement of skills and knowledge of the project participants through trainings, capacity building of community and local institutions, development of a strategy for developing collaborative plantation forest management in line with implementation of appropriate conflict resolution approach or methodology, and implementation of strategy in selected demonstration sites.
- In fact, all project activities were set up and organize based on appropriate identification and analysis of key problems of conflicts in plantation forest development and how strategy developed and implemented to transfer the conflicts into collaborative plantation forest development. Therefore, fulfilling all activities according to appropriate procedure or methodology were the best strategy to fulfill the project outputs and its specifics objectives.
- The project implementations were dominantly conducted in project locations of South Kalimantan and Jambi provinces. Therefore it was important to establish and maintain good consultation and communication with relevant stakeholders in provinces. In Jambi Province, the project has appropriate supports and participation of provincial forestry services, forestry service of Region of Tanjung Jabung Timur, District Government institution and Plantation Forest Concessionaire of PT. Wira Karya Sakti (PT. WKS) of Pulp Industrial Plantation Forest. In South Kalimantan Province, local support and participation were contributed by the provincial forestry service, forestry service of Region

of Tabalong, District Government institution and Plantation Forest Concessionaire of PT. Aya Yayang Indonesia (PT. AYI).

- To have appropriate respond and input to enhance and improve development of **“The strategy, legal frameworks and institution of the collaborative plantation forest management in Jambi and South Kalimantan Provinces are accepted by concerned stakeholders (Output 1,1)”**, the project set up workshop in Jambi and South Kalimantan Provinces, and at national level.
- Considering that there were significant enhancement of conflicts happened during 2009-2011, it was necessary for the project to redefine and improve the documents of strategy and mechanism of collaborative plantation development that had been finalized in year 2009. More discussion and consultation with relevant stakeholders were conducted such as with university, NGOs, National Forestry Councils and others. The improved strategy and mechanism of collaborative plantation forest were then disseminated through the National Workshop held in March 2012 and positive response has been achieved by the project.
- To fulfill the **Output 1.2. “Demonstration areas for the collaborative plantation forest management in Jambi and South Kalimantan provinces are selected, prepared and agreed by all concerned stakeholders”** and the **Output 2.1. “The local community and the industrial commercial plantation forest companies in Jambi and South Kalimantan Provinces are able to adopt the strategy, legal framework and institution of the collaborative plantation forest management”**, the project should consider the conflict condition especially the conflict intensity compare to time limitation of the project. Therefore, in selecting project location, the project needed to gather comprehensive data and information of conflict areas or occupied forest areas by community that had less conflict intensity and whereas conflict parties, community and plantation forest concessionaire, had potential interest and capacity to resolve the conflict and to learn more about ideas of collaborative plantation forest development. Simple and practical methodology of biophysical surveys, social condition surveys including Participatory Rural Appraisal (PRA) and public consultation were conducted simultaneously.
- Through the above mentioned activities, the project had finalized project activities namely: (i) establishment of demonstration plots, in Jambi and South Kalimantan that agreed by conflict parties (community and plantation forest concessionaire), (ii) initiation of farmer groups establishments, (iii) formulation of initial collaborative agreement, and (iv) development of initial management planning of demonstration plots for collaborative plantation forest management. Both community and plantation forest concessionaire agreed on selecting and designating of: (i) demonstration site areas, (ii) selected tree

species, (iii) multipurpose crops, (iv) collaborative preliminary agreement, and (v) benefit sharing scheme of collaborative plantation forest.

- To enhance community capacity, the project set up three relevant trainings namely: **(i) Output 2.2. “Training on establishing a small nursery and producing mass production of vegetative propagation of selected species for 10 selected farmers”;** **(ii) Output 2.3. “Training on planting and maintaining selected species for 50 farmers”;** and **(iii) Output 2.5. “Training on financial arrangement and management for 10 selected farmers”.**

To fulfill training objectives, the project provided simple training manuals (modules) and set up training methods that suitable for community or farmer groups. Establishment of farmer groups of “Harapan Mulia Lestari” in Jambi province and “Bina Hutan Lestari” in South Kalimantan province as collaborative parties was advantage factors to make the training conducted effectively and enhanced farmers and farmer group’s technical capacity.

- Major technical and forest management activities in promoting collaborative plantation forest management was applied in establishing plantation in demonstration sites as stated in the **Output 2.4. “100 ha of demonstration areas of collaborative plantation forest of selected species are established each in Jambi and South Kalimantan Provinces”.** Some critical issues should be considered in implementing activities under the Output 2.4. were :
  - a. Both demonstration sites are located within forest areas that easily disturbed by forest fire. The forest fire happens almost every year during dry season. Therefore, the project needed to provide appropriate planting schedule based on local climate condition.
  - b. Based on project time allocation, it was impossible to provide seedlings of selected tree species of fast growing or indigenous commercial species through mass production of vegetative propagation technique.
  - c. The seedlings should be properly managed before planted and seedlings transportation should be also conducted appropriately.

Therefore, the project was approved to redefine procedure to fulfill the Activity 2.4.3. “Providing seedlings of selected species” by acquiring selected quality seedlings from nurseries adjacent to the demonstration sites as well as nursery of plantation forest concessionaire. It was agreed that the plantation forest concessionaires (PT. Aya Yayang Indonesia, South Kalimantan and PT. Wira Karya Sakti, Jambi) as collaborative parties and project partner were involved and responsible in fulfilling the Activity 2.4.3 and the Activity 2.4.5. on providing, managing and transporting good quality seedlings of selected species in appropriate amount to be planted in demonstration sites.

On the other hand, the farmer groups (Bina Hutan Lestari, South Kalimantan, and Harapan Mulia Lestari, Jambi) also as collaborative parties and project partner would be responsible in conducting land preparation for planting, planting selected seedlings, maintaining planted seedlings and protecting the demonstration sites (the Activity 2.4.2; 2.4.4.; 2.4.6; and 2.4.7).

- In order to maintain communication and involvement of farmer groups, the project involved one forest technicians in each project location as field facilitator. Field facilitators was responsible in facilitating and supervising farmer groups activities, maintaining communication between farmer groups and plantation forest concessionaires and other stakeholders such as local government as well as with the ITTO PD.396/06 project management unit.
- Regarding the activities pertaining the **Output 2.6. “Contractual arrangement for the involvement of local stakeholders as project partners adapted”** were conducted by continuing discussion and communication to enhance initial collaborative agreements into a formal agreements or Memorandum of Understanding (MOU) of Collaborative Plantation Forest Development agreed and signed by collaborative parties of farmer group and plantation forest concessionaire.

### 2.3. Assumptions and risks

The assumption made regarding the Development Objective was “there is no change in decentralization policy”. This assumption was held true during the project implementation. In fact, decentralization policy in forestry sector was developed through enhancement of social forestry development program. Therefore, no significant risk was experienced resulting from enhancement of decentralization policy.

The assumptions made on the Specific Objectives were:

- a. All concerned stakeholders are committed to collaborative actions.

This assumption was valid during project duration. Community or farmers and plantation forest concessionaire, facilitated by forestry services, were showing their commitments to fulfill collaborative plantation activity agreed by both parties.

- b. Stakeholders are committed to their roles and obligations, willing to cooperate, and actively participate.

This assumption was valid during project duration. In fact, at the beginning of project implementation, the project faced uncooperative responds from both conflicting parties either from community or from plantation forest concessionaire as well as less interest from local institution. However, during conducting surveys on biophysical aspects and social condition aspects, PRA activity, and public consultations, the project got



cooperative supports and cooperation from forestry services, plantation forest concessionaire and further from community or farmer groups.

Indeed, community and plantation forest concessionaire had different interest in utilizing forest areas. Therefore, roles and obligations of both parties would be difference once collaborative plantation forest development ideas agreed by both parties. After initial collaborative agreement was agreed either the community or plantation forest concessionaire showed their respects the agreement and shared their roles and obligation.

c. Continues support from local government

This assumption was valid during project duration. Handling, processing and solving the conflicts should be under responsibility of local government. Therefore, during the project implementation, local governments shared their cooperation and supports to project in maintaining project progress and achievements.

d. Instructors and trainees are committed to the program

This assumption was valid during project duration especially during project training implementation. Instructors had developed simple training modules and conducted appropriate training methods. Farmers as trainees showed their enthusiastic and active participations during the training.

e. No extreme dry season

Fortunately, this assumption was valid during project. During January 2010 until early 2012, both demonstration sites in Jambi and South Kalimantan Provinces experienced long rainy seasons. This climate condition helped farmer groups to conduct planting and maintaining planted trees and secured planted trees from forest fire.

f. All stakeholders are willing to provide their commitments

This assumption was valid during project duration. Community or farmer groups and plantation forest concessionaires provided their commitments to implement collaborative plantation forest management in demonstration sites.

### 3. Project Performance

#### 3.1. Planned vs. realized performance

Referring to the original and redefined Outputs as discussed earlier in Section 2, the project had already finalized all activities under all project Outputs as the project plans. The planned and achievement performance of all project activity plan during project duration is shown in Table 1.

### 3.2. Project duration

The project commenced in December 2007 and planned for 36 months. A 19 months extension without additional funds was granted by ITTO on 15 May 2012 (latest approval). With the extension, all project activities were to be completed in June 2012.

### 3.3. Project budget

The total amount of budget was US \$ 645,694 comprising ITTO's and GOI contributions in the amount of US \$ 508.234 and US \$ 137,460 respectively. The amount of ITTO's contribution, disbursed to the Executing Agency through the Project Management was US \$ 396,463.00. The funds were planned to pay for Project Personnel (35,3%), Sub-contracts (28,7%), Duty Travel (17,7%), Capital items (5,1%), Consumable items (12,6%), and Miscellaneous expenditures (0,6%).

The final financial auditing commenced in June to emiddle of July 2012 the Final Audit Report is scheduled for submission to ITTO in middle August 2012.

**Table 1: Planned vs. Realized Performance**

Planned Performance	Realized Performance (%)	Remarks
<b>Specific Objective 1 (original)</b> A collaborative plantation forest management approach is made available.	100	
<b>Output 1.1: (original)</b> The strategy, legal frameworks and institution of the collaborative plantation forest management in Jambi and South Kalimantan Provinces are accepted by concerned stakeholders.	100	
<b>Activity :</b>		
<b>Activity 1.1.1. (enhanced)</b> Formulate a strategy for collaborative plantation forest management	100	
<b>Activity 1.1.2. (original)</b> Drafting of the legal framework for the conflict resolution approach.	100	
<b>Activity 1.1.3. (enhanced and merged)</b> Develop a practical mechanism of collaborative plantation forest management based on relevant legislative frameworks	100	

Planned Performance	Realized Performance (%)	Remarks
<b>Activity 1.1.4. (original)</b> Organize workshops on the strategy of collaborative plantation forest management	100	
<b>Activity 1.1.5. (modified)</b> Disseminate the strategy of collaborative plantation forest management. Final dissemination would be conducted through National Workshop in Jakarta.	100	
<b>Output 1.2 (original)</b> Demonstration areas for the collaborative plantation forest management in Jambi and South Kalimantan provinces are selected, prepared and agreed by all concerned stakeholders.	100	
<b>Activity :</b>		
<b>Activity 1.2.1. (original)</b> Carry out survey surrounding the assigned industrial commercial forest plantation companies to select suitable areas for demonstration sites of collaborative plantation forest management.	100	
<b>Activity 1.2.2. (original)</b> Carry out a socio-economic survey of the communities surrounding the assigned industrial commercial plantation forest companies	100	
<b>Activity 1.2.3. (original)</b> Carry out public consultations with relevant stakeholders <i>and establish a forum consisting of stakeholders' key persons.</i>	100	
<b>Activity 1.2.4. (original)</b> Prepare a proposal on demonstration areas for the community plantation forest development.	100	
<b><u>Specific Objective 2</u></b> Conditions are established for the adoption of the approach by relevant stakeholders.	100	
<b>Output 2.1. (original)</b> The local communities and the industrial commercial plantation forest companies in Jambi and South Kalimantan Provinces are able to adopt the strategy.	100	
<b>Activity :</b>		
<b>Activity 2.1.1. (original)</b> Carry out dissemination of the strategy, legal framework and institution of the collaborative plantation forest management among all stakeholders.	100	

Planned Performance	Realized Performance (%)	Remarks
<b>Activity 2.1.2. (original)</b> Carry out a participatory rural appraisal involving all stakeholders in the demonstration areas for the collaborative plantation forest.	100	
<b>Activity 2.1.3. (original)</b> Facilitate the local community to establish their local framework, organization and institution for collaborative plantation forest management development.	100	
<b>Output 2.2:</b> 10 farmers are well-trained in establishing a small nursery and producing mass production of vegetative propagation of selected species.	100	
<b>Activity :</b>		
<b>Activity 2.2.1. (original)</b> Prepare a training manual on establishment of a small nursery and mass vegetative propagation techniques of selected species.	100	
<b>Activity 2.2.2. (original)</b> Prepare and establish a temporary small nursery and cutting production facilities.	100	
<b>Activity 2.2.3. (original)</b> Prepare wild seedlings and cutting materials of selected species ( <i>fast growing and indigenous species</i> ).	100	
<b>Activity 2.2.4. (original)</b> Organize a training course on establishing a small nursery and mass vegetative propagation techniques of selected species and cash crops for 10 farmers.	100	
<b>Output 2.3. (original)</b> 50 farmers surrounding the project location are well-trained in planting and maintaining selected species.	100	
<b>Activity :</b>		
<b>Activity 2.3.1. (original)</b> Prepare and publish a training manual on planting and maintenance techniques for selected species.	100	
<b>Activity 2.3.2. (original)</b> Provide seedlings of selected species.	100	

Planned Performance	Realized Performance (%)	Remarks
<b>Activity 2.3.3. (original)</b> Select 50 farmers of the local community as training participants	100	
<b>Activity 2.3.4. (original)</b> Conduct a training course on planting and maintaining techniques of selected species	100	
<b>Output 2.4. (original)</b> 100 ha of demonstration areas of collaborative plantation forest management are established each in Jambi and South Kalimantan using selected species.	100	
<b>Activity :</b>		
<b>Activity 2.4.1. (original)</b> Prepare and plan demonstration areas establishment.	100	
<b>Activity 2.4.2. (dropped)</b> Establish a temporary nursery adjacent to each demonstration site.	---	The Activity was dropped.
<b>Activity 2.4.3. (original)</b> Prepare seedlings of selected species at each demonstration area, using improved variety seeds provided by plantation companies, or state-owned companies or Forest Research and Development Agency (FORDA)	100	
<b>Activity 2.4.4. (original)</b> Prepare the land of the demonstration areas for planting of selected species.	100	
<b>Activity 2.4.5. (merged)</b> Transport seedlings to demonstration areas.	100	This activity merges or integrated with the Activity 2.4.3.
<b>Activity 2.4.6. (original)</b> Plant seedlings according to the design and procedure on the demonstration areas, using intercropping with cash-crops.	100	
<b>Activity 2.4.7. (original)</b> Maintain the planted seedlings/trees intensively using available labor in surrounding areas and other financially profitable inputs such as fertilizers, pesticides, etc.	100	
<b>Activity 2.4.8. (original)</b> Establish marketing channels for main and by products of the plantation forests.	100	

Planned Performance	Realized Performance (%)	Remarks
<b>Output 2.5. (original)</b> 10 local villagers are trained in financial arrangement and management	100	
<b>Activity :</b>		
<b>Activity 2.5.1. (original)</b> Prepare and publish a manual for training on financial arrangement and management.	100	
<b>Activity 2.5.2. (original)</b> Select 10 persons from communities as trainees	100	
<b>Activity 2.5.3. (original)</b> Conduct training courses on financial arrangement and management	100	
<b>Output 2.6. (original)</b> Contractual arrangement for the involvement of local stakeholders as project partners adapted.	100	
<b>Activity :</b>		
<b>Activity 2.6.1. (original)</b> Carry out and facilitate public meeting in order to identify and formulate stakeholders' need (activities done stakeholders).	100	
<b>Activity 2.6.2. (original)</b> Draft a contractual arrangement	100	

## 4. Project Outcome and Target Beneficiaries Involvement

### 4.1. Specific Objective achieved

Achievement of planned outputs and objectives of the project was assessed using the indicators and in light of the assumptions specified in the LFM as presented in Table 2.

**Table 2:**  
**The Original Logical Framework of the ITTO PD.396/06 Rev.2 (F)**

PROJECT ELEMENTS	INDICATORS	MEAN OF VERIFICATION	ASSUMPTIONS
<u>Development Objective</u> Increased wood production from plantation forests meets domestic and export demand for raw materials, thereby reducing reliance on natural forest extraction.	Establishment of collaborative forest management approach to plantation forests development, along with the demonstration areas and trained farmers	Documents on (i) the collaborative forest management approach to plantation forests development, (ii) demonstration areas, and (iii) training activities.	No changes in decentralization policy.

PROJECT ELEMENTS	INDICATORS	MEAN OF VERIFICATION	ASSUMPTIONS
<p><u>Specific Objective 1:</u></p> <p>A collaborative plantation forest management approach is made available.</p>	<p>Establishment of collaborative forest management approach to plantation forests development acceptable to relevant stakeholders in Jambi and South Kalimantan</p>	<p>Documents on establishment of collaborative forest management approach to plantation forests development</p> <p>Field Reports on the demonstration areas for the collaborative plantation forest management.</p> <p>Documents on stakeholders' agreement</p>	<p>All concerned stakeholders are committed to collaborative actions</p>
<p>Output 1.1: The strategy, legal framework and institution of the collaborative plantation forest management in Jambi and South Kalimantan Provinces are accepted by all concerned stakeholders</p>	<p>Mutual understanding and agreement among stakeholders on collaborative plantation forest management establishment are achieved</p>	<p>Documents of development of a strategy of plantation development in Jambi and South Kalimantan Provinces</p> <p>Documents of mechanism of collaborative plantation forest establishment in Jambi and South Kalimantan Provinces</p> <p>Report of workshops</p> <p>Contract documents on rights and obligations of each party.</p> <p>Documents of legal framework for the conflict resolution approach</p>	<p>Stakeholders are committed to their roles and obligations.</p>
<p>Output 1.2: Demonstration areas for the collaborative plantation forest management in Jambi and South Kalimantan Provinces are selected, prepared and agreed by all concerned stakeholders.</p>	<p>The rights and obligations of stakeholders of collaborative plantation forest management at demonstration sites are agreed</p>	<p>Contract documents between out-growers/ farmers and industrial plantation forest company</p> <p>Field Reports on the demonstration areas for the collaborative plantation forest management.</p>	<p>Stakeholders are committed to their roles and obligations.</p>

PROJECT ELEMENTS	INDICATORS	MEAN OF VERIFICATION	ASSUMPTIONS
Output 2.1: The local community and industrial commercial plantation forest companies in Jambi and South Kalimantan Provinces are able to adopt the strategy, legal framework and institution of the collaborative plantation forest management	Contract documents of out growers/ farmers and plantation forest company on plantation forest establishment and collaborative forest management	Reports on socialization, facilitation and rural appraisal on collaborative plantation forest management  Established capacity and stakeholders' networking.	Stakeholders are willing to cooperate.  Continues support from local government.
Output 2.2: 10 farmers are well trained in establishing a small nursery and producing mass production of vegetative propagation of selected species	Training subjects and potential participants are identified  Training modules and programs are available.  10 farmers are trained	Reports on training programs, including number of participants  Documents of training modules	Instructors and trainees are committed to the program
Output 2.3: 50 farmers surrounding the project location are well-trained in planting and maintaining selected species	Training subjects and potential participants are identified  Training modules and programs are available.  50 farmers are trained	Reports on training programs, including number of participants  Documents of training modules	Instructors and trainees are committed to the program
Output 2.4: 100 ha of demonstration areas of collaborative plantation forest of selected species are established each in Jambi and South Kalimantan	Demonstration site plan is implemented  Collaborative plantation forest management is established on 50 ha in Jambi Provinces and 50 ha in South Kalimantan Provinces	Documents on the implementation of demonstration sites establishment  Report on planting and maintenance of seedlings in demonstration sites.	No extreme dry season
Output 2.5: 10 selected persons from communities are trained in financial arrangement and management	Training subjects and potential participants are identified  Training modules and programs are available.  10 persons from villages are trained	Reports on training programs include number of participants  Documents of training modules	Instructors and trainees are committed to the program



PROJECT ELEMENTS	INDICATORS	MEAN OF VERIFICATION	ASSUMPTIONS
Output 2.6 Contractual arrangement for the involvement of local stakeholders as project partners adapted	<p>Participants/Stakeholders are identified.</p> <p>Public meetings are arranged</p> <p>Draft of contractual arrangement is arranged and agreed</p>	Contractual arrangement is available	All stakeholders are willing to provide their commitments

As it is shown in Table 1, all activities of the project have been fully implemented and in line in delivering of the planned outputs. Detailed explanation of achievement of project activities, outputs and specific objectives is described in Table 3.

**Table 3: Specific Objectives, Outputs and Activities Achievements**

Outputs and Activities	Achievement and Remarks
<b>Specific Objective 1 (original)</b> A collaborative plantation forest management approach is made available.	The specific objective was achieved. The collaborative plantation forest management was implemented within the demonstration areas.
<b>Output 1.1: (original)</b> The strategy, legal frameworks and institution of the collaborative plantation forest management in Jambi and South Kalimantan Provinces are accepted by concerned stakeholders.	All documents of strategy of collaborative plantation forest development, legal framework and practical had been finalized and disseminated.
<b>Activity 1.1.1. (enhanced)</b> Formulate a strategy for collaborative plantation forest management.	First strategy formulation was finalized in 2009. The strategy was enhanced related to developed condition on conflicts. Improved strategy was finalized in November 2011.
<b>Activity 1.1.2. (original)</b> Drafting of the legal framework for the conflict resolution approach.	Accomplished, document was finalized.
<b>Activity 1.1.3. (enhanced and merged)</b> Develop a practical mechanism of collaborative plantation forest management based on relevant legislative frameworks	Accomplished, document was finalized.
<b>Activity 1.1.4. (original)</b> Organize workshops on the strategy of collaborative plantation forest management	Accomplished: 2 workshops were held in Jambi and 1 workshop held in South Kalimantan.
<b>Activity 1.1.5. (modified)</b> Disseminate the strategy of collaborative plantation forest management. Final dissemination would be conducted through National Workshop in Jakarta.	The reviewed strategy and practical mechanism of collaborative plantation forest had been discussed with relevant parties, disseminated at National workshop, and finalized.

Outputs and Activities	Achievement and Remarks
<p><b>Output 1.2 (original)</b>  <b>Demonstration areas for the collaborative plantation forest management in Jambi and South Kalimantan provinces are selected, prepared and agreed by all concerned stakeholders..</b></p>	<p><b>Demonstration areas were established and managed of 50 hectares in South Kalimantan Province and 54,9 hectares in Jambi Province.</b></p>
<p><b>Activity 1.2.1. (original)</b>            Carry out survey surrounding the assigned industrial commercial forest plantation companies to select suitable areas for demonstration sites of collaborative plantation forest management.</p>	<p>Area of surveys were consider as conflicts areas that had low conflict intensity and there was indication that both community and plantation forest concessionaires had potential willingness to collaborate.</p>
<p><b>Activity 1.2.2. (original)</b>            Carry out a socio-economic survey of the communities surrounding the assigned industrial commercial plantation forest companies.</p>	<p>Accomplished, socio-economic condition was identified.</p>
<p><b>Activity 1.2.3. (original)</b>            Carry out public consultations with relevant stakeholders <i>and establish a forum consisting of stakeholders' key persons.</i></p>	<p>Initiative to establish collaboration was arisen and initial agreements of collaboration were formulated.</p>
<p><b>Activity 1.2.4. (original)</b>            Prepare a proposal on demonstration areas for the community plantation forest development.</p>	<p>Demplot areas were identified, agreed by relevant parties and set up in the field.</p>
<p><b><u>Specific Objective 2</u></b>  <b>Conditions are established for the adoption of the approach by relevant stakeholders.</b></p>	<p><b>Enabling conditions for the adoption of the approach were identified and developed.</b></p>
<p><b>Output 2.1. (original)</b>  <b>The local communities and the industrial commercial plantation forest companies in Jambi and South Kalimantan Provinces are able to adopt the strategy.</b></p>	<p><b>Initiative to resolve conflict through collaborative plantation forest establishment was arisen from community and plantation forest concessionaire.</b></p>
<p><b>Activity 2.1.1. (original)</b>            Carry out dissemination of the strategy, legal framework and institution of the collaborative plantation forest management among all stakeholders.</p>	<p>Accomplished through field activity in term of discussions, interviews and consultations with relevant parties.</p>
<p><b>Activity 2.1.2. (original)</b>            Carry out a participatory rural appraisal involving all stakeholders in the demonstration areas for the collaborative plantation forest.</p>	<p>Accomplished and detail community identification had been gathered and</p>
<p><b>Activity 2.1.3. (original)</b>            Facilitate the local community to establish their local framework, organization and institution for collaborative plantation forest management development.</p>	<p>Farmer groups were recognized and established, namely :</p> <ol style="list-style-type: none"> <li>a. Jambi : Farmer Group : Harapan Mulia Lestari with 23 farmers as group member.</li> <li>b. South Kalimantan: Farmer Group: Bina Hutan Lestari (South Kalimantan) with 20 farmers as group member.</li> </ol>
<p><b>Output 2.2:</b>  <b>10 farmers are well-trained in establishing a small nursery and producing mass production of vegetative propagation of selected species.</b></p>	<p><b>Fulfilled and trainees contributed participation and responds.</b></p>

Outputs and Activities	Achievement and Remarks
<b>Activity 2.2.1. (original)</b> Prepare a training manual on establishment of a small nursery and mass vegetative propagation techniques of selected species.	Training manual was developed.
<b>Activity 2.2.2. (original)</b> Prepare and establish a temporary small nursery and cutting production facilities.	Accomplished.
<b>Activity 2.2.3. (original)</b> Prepare wild seedlings and cutting materials of selected species ( <i>fast growing and indigenous species</i> ).	Accomplished.
<b>Activity 2.2.4. (original)</b> Organize a training course on establishing a small nursery and mass vegetative propagation techniques of selected species and cash crops for 10 farmers.	Accomplished. Farmers as trainees enthusiastic in joining the training and contributed positive respond.
<b>Output 2.3. (original)</b> <b>50 farmers surrounding the project location are well-trained in planting and maintaining selected species.</b>	<b>This training was relevant to enhance either individual or farmer group capacity. The training was accomplished and trainees contributed positive participation and respond.</b>
<b>Activity 2.3.1. (original)</b> Prepare and publish a training manual on planting and maintenance techniques for selected species.	Training manual was developed.
<b>Activity 2.3.2. (original)</b> Provide seedlings of selected species.	Accomplished.
<b>Activity 2.3.3. (original)</b> Select 50 farmers of the local community as training participants	Accomplished. All trainees were member of farmer groups in Jambi and South Kalimantan.
<b>Activity 2.3.4. (original)</b> Conduct a training course on planting and maintaining techniques of selected species	Accomplished. Farmers as trainees were enthusiastic in joining the training and contribute positive respond.
<b>Output 2.4. (original)</b> <b>100 ha of demonstration areas of collaborative plantation forest management are established each in Jambi and South Kalimantan using selected species.</b>	<b>Fulfilled and plantations in both demonstration sites showed potential growth. Farmer groups and plantation forest concessionaires fulfill their commitments.</b>
<b>Activity 2.4.1. (original)</b> Prepare and plan demonstration areas establishment.	Technical planning for demplot management and activity was finalized for location of Jambi and South Kalimantan Provinces.
<b>Activity 2.4.2. (dropped)</b> Establish a temporary nursery adjacent to each demonstration site.	As recommended in the 4 <sup>th</sup> PSC Meeting in May 2012, the activity 2.4.2 was not necessary and relevant to be conducted since the activity 2.4.3. and 2.4.5 were merged and finalized under participation of plantation forest concessionaires.

Outputs and Activities	Achievement and Remarks
<b>Activity 2.4.3. (original)</b> Prepare seedlings of selected species at each demonstration area, using improved variety seeds provided by plantation companies, or state-owned companies or Forest Research and Development Agency (FORDA)	Accomplished by involving plantation forest concessionaire that had capacity in producing and managing seedlings.
<b>Activity 2.4.4. (original)</b> Prepare the land of the demonstration areas for planting of selected species.	Completed by farmer groups.
<b>Activity 2.4.5. (merged)</b> Transport seedlings to demonstration areas.	This activity was merged with the Activity 2.4.3.
<b>Activity 2.4.6. (original)</b> Plant seedlings according to the design and procedure on the demonstration areas, using intercropping with cash-crops.	Completed by farmer groups.
<b>Activity 2.4.7. (original)</b> Maintain the planted seedlings/trees intensively using available labor in surrounding areas and other financially profitable inputs such as fertilizers, pesticides, etc.	Maintaining activity were lengthen since the project was extended and giving more time to the project to facilitate farmer group in maintaining planted trees.
<b>Activity 2.4.8. (original)</b> Establish marketing channels for main and by products of the plantation forests.	Accomplished and document of marketing channel study was finalized.
<b>Output 2.5. (original)</b> <b>10 local villagers are trained in financial arrangement and management</b>	<b>The training subject was needed to enhance farmer group capacity. Training was fulfilled and trainees contribute positive respond and participation.</b>
<b>Activity 2.5.1. (original)</b> Prepare and publish a manual for training on financial arrangement and management.	Training manual was developed.
<b>Activity 2.5.2. (original)</b> Select 10 persons from communities as trainees	Accomplish by selecting 5 farmers of farmer group member of each province who had job and capacity in finance management.
<b>Activity 2.5.3. (original)</b> Conduct training courses on financial arrangement and management	Accomplished. Farmers as trainees were enthusiastic in joining the training and contributed positive respond.
<b>Output 2.6. (original)</b> <b>Contractual arrangement for the involvement of local stakeholders as project partners adapted.</b>	<b>MOU of collaborative plantation forest establishment in South Kalimantan and Jambi were agreed and signed by collaborative parties.</b>
<b>Activity 2.6.1. (original)</b> Carry out and facilitate public meeting in order to identify and formulate stakeholders' need (activities done stakeholders).	Accomplished, involving farmer groups, plantation forest concessionaires, forestry services and local government institution.
<b>Activity 2.6.2. (original)</b> Draft a contractual arrangement	Accomplished, MOU of collaborative plantation forest developments were agreed and signed.

Since project assumptions as mentioned in Logical Framework Matrix (LFM) (Table 2) and as described in Section 2.3 were fulfilled during project implementation, therefore, all project activities had been conducted appropriately as project plans ( as shown in Table 1 and Table 3).

Since all project activities achievement complied with their indicators, consequently indicators of project outputs and project Specific Objective were also accomplished as described in Table 4.

**Table 4. The Outputs and Output indicators Achievements of the ITTO PD.396/06 Rev.2 (F)**

Project Element	Indicators	Achievements and Remarks
<p><b><u>Specific Objective 1:</u></b></p> <p><b>A collaborative plantation forest management approach is made available.</b></p>	<p><b>Establishment of collaborative forest management approach to plantation forests development acceptable to relevant stakeholders in Jambi and South Kalimantan</b></p>	<p><b>Achieved and reflected by providing final strategy and Mechanism for collaborative plantation forest development and it was implemented within demonstration areas.</b></p>
<p>Output 1.1: The strategy, legal framework and institution of the collaborative plantation forest management in Jambi and South Kalimantan Provinces are accepted by all concerned stakeholders</p>	<p>Mutual understanding and agreement among stakeholders on collaborative plantation forest management establishment are achieved</p>	<p>Achieved and project had provided Strategy and Mechanism for collaborative plantation forest development. Collaborative plantation forest development was carried out by conflict resolution approach and transfer conflict into collaborative plantation forest management.</p>
<p>Output 1.2: Demonstration areas for the collaborative plantation forest management in Jambi and South Kalimantan Provinces are selected, prepared and agreed by all concerned stakeholders.</p>	<p>The rights and obligations of stakeholders of collaborative plantation forest management at demonstration sites are agreed</p>	<p>Achieved since appropriate surveys and public consultations resulted initial agreement on collaborative plantation forest development and benefit sharing scheme.</p>
<p><b><u>Specific Objective 2:</u></b></p> <p><b>Conditions are established for the adoption of the approach by relevant stakeholders</b></p>	<p><b>Demonstration areas are established, certain numbers of farmers are trained.</b></p>	<p><b>Demonstration site were established through appropriate process and relevant farmers were trained.</b></p>

Project Element	Indicators	Achievements and Remarks
Output 2.1: The local community and industrial commercial plantation forest companies in Jambi and South Kalimantan Provinces are able to adopt the strategy, legal framework and institution of the collaborative plantation forest management	Contract documents of out growers/ farmers and plantation forest company on plantation forest establishment and collaborative forest management	Achieved through appropriate social approach and public consultations supported by potential collaborative spirit owned by community and plantation forest concessionaire.
Output 2.2: 10 farmers are well trained in establishing a small nursery and producing mass production of vegetative propagation of selected species	Training subjects and potential participants are identified	Achieved.
	Training modules and programs are available.	Achieved.
	10 farmers are trained	Achieved.
Output 2.3: 50 farmers surrounding the project location are well-trained in planting and maintaining selected species	Training subjects and potential participants are identified	Achieved.
	Training modules and programs are available.	Achieved.
	50 farmers are trained	Achieved.
Output 2.4: 100 ha of demonstration areas of collaborative plantation forest of selected species are established each in Jambi and South Kalimantan	Demonstration site plan is implemented	Achieved.
	Collaborative plantation forest management is established on 50 ha in Jambi Provinces and 50 ha in South Kalimantan Provinces	Achieved.
Output 2.5: 10 selected persons from communities are trained in financial arrangement and management	Training subjects and potential participants are identified	Achieved.
	Training modules and programs are available.	Achieved.
	10 persons from villages are trained.	Achieved.
Output 2.6 Contractual arrangement for the involvement of local stakeholders as project partners adapted	Participants/Stakeholders are identified.	Achieved.
	Public meetings are arranged	Achieved.
	Draft of contractual arrangement is arranged and agreed	Achieved. Two contractual arrangements (MOU) of South Kalimantan and Jambi Provinces were formulated, agreed and signed.

#### Specific Objective achievement.

As shown in Table 1, Table 3 and Table 4, based on achievement of project activities and compliment of related indicators that led to appropriate project output achievements, therefore project specific objectives (1 and 2) were accordingly fully achieved.

#### Development Objective: achievement.

Regarding the Development Objective, since the project had fulfilled the Project Specific Objectives, therefore the project has shared its contribution to the development objective achievement in term of preparing enabling conditions to achieve successful plantation forest development through (i) developing strategy for collaborative plantation forest development as conflict resolution approach, and (ii) setting an alternative solution to enhance community access and participation through a community based forest management.

## **4.2. The situation existing at Project completion vs. pre Project situation**

### a. Tangible outputs of the Project

The Project has produced published and disseminated 5 (five) Technical Reports namely:

#### a. **Technical Report Volume 1:**

*“Output 1.1. The Strategy, Legal Framework, and Institution Arrangement of Collaborative Plantation Forest Management in Jambi and South Kalimantan Provinces are accepted by all concerned stakeholders”.*

All studies results in analyzing conflicts in plantation forest development, conflict resolution approach, and development of collaborative plantation forest were presented within three document papers namely:

- (i) *The Development of a Strategy for Collaborative Forest Plantation Management in Jambi Province and South Kalimantan Province.*
- (ii) *Drafting of the Legal Framework for the Conflict Resolution Approach in Jambi Province and South Kalimantan Province in Indonesia.*
- (iii) *Develop Practical Mechanism of Collaborative Plantation Forest based on Relevant Legislative Framework.*

#### b. **Technical Report Volume 2:**

*“Rancangan dan Rencana Teknis Pembangunan Hutan Tanaman Kolaborasi (Lokasi Demplot di Provinsi Jambi dan Kalimantan Selatan)”*

This document was written in Bahasa and described technical design and activity planning to achieve collaborative plantation forest management.

**c. Technical Report Volume 3 :**

***“Manual Pelatihan : (i) Teknik Persemaian dan Silvikultur; (ii) Penanaman dan Pemeliharaan Tanaman; (iii) Pengelolaan dan Manajemen Keuangan”***

This document was a collection of three training manual written in Bahasa and describe technical aspect for training in : (i) Nursery and Silviculture Techniques to produce mass seedling production through propagation techniques; (ii) Planting and Maintaining of Planted Trees of Selected Species; and (iii) Financial Arrangement and Management.

**d. Technical Report Volume 4-A:**

***“Strategy for Developing Collaborative Plantation Forest : A Conflict Resolution Approach in Indonesia”***

This Technical Report is issued in two languages, i.e. English and Bahasa.

**e. Technical Report Volume 4-B :**

***“Practical Mechanism of Conflict Resolution on Plantation Forest Development in Indonesia”***

This Technical Report is issued in two languages i.e. English and Bahasa.

The Project believes that all Technical Reports could be used as proper references to analysis and identifies similar conflicts happen in plantation forest development in different places or locations and set up collaborative plantation establishment as strategy of plantation forest development through conflict resolution approach.

**b. Environmental condition**

There were at least 4 major factors that should be considered in implementing the project plan and activity, namely:

- 1) Forest areas as conflict areas should be clearly identified.
- 2) Existence of potential collaborative spirit of both conflicting parties of community and plantation forest concessionaire
- 3) Existence of local government supports
- 4) Climate condition especially no extreme dry season.

Every project has time duration and budget limitation. Therefore any project should set up proper assumption, in order to achieve project objective effectively and efficiently.

During the project implementation, all four major factors had been obtained by the projects. Fortunately, the climate condition was very supporting since during implementation of planting and maintaining planted tree activities, both demonstration sites location were experiencing long rainy seasons.



However, the project duration needed to be extended since more time was needed to develop spirit of collaboration of conflicting parties of community and plantation forest concessionaire became real collaborative actions.

The project was set up for 36 months and 19 months extension was approved. During the extension period, farmer groups and plantation forest concessionaires could enhance their collaborative spirit and implement strategy for collaborative plantation forest development through establishment of demonstration sites of collaborative plantation and conducted its related management activity.

### **4.3. Participation of target beneficiaries**

The primary target beneficiaries were farmer group of Harapan Mulia Lestari (Jambi) and Bina Hutan Lestari (South Kalimantan), plantation forest concessionaires of PT. Wira Karya Sakti (Jambi) and PT. Aya Yayang Indonesia (South Kalimantan), forestry services of Jambi province, South Kalimantan province and Tabalong region (South Kalimantan), and forestry and estate service of Tanjung Jabung Timur region (Jambi). The Directorate of Plantation Forest Development under the Directorate General of Forest Utilization, Ministry of Forestry as The Project Executing Agency also target beneficiaries.

The target beneficiaries had participated in implementation of the project in various ways as follows:

- Farmer groups were taking part in public consultation, local workshops, trainings, and planting and maintain planted trees in demonstration sites.
- Plantation forest concessionaire was taking part in local workshop; providing, handling and transportation of seedlings, and establishment of collaborative plantation forest.
- Forestry Services institutions were taking participation in local workshop, discussions, public consultations, and facilitating other project activities.
- Ministry of forestry was taking participations in supervising the project and attending Project Steering Committee meetings.

### **4.4. Expectation of project sustainability**

The project implementation in developing collaborative plantation forest involved community or farmer groups and plantation forest concessionaires clearly indicated that:

- The strategy and mechanism of collaborative plantation forest development formulized by the project should be promoted and disseminated to enhance resolution of conflicts in plantation forest development in another area, other region and other provinces.

- After the project completion, both demonstration sites in Jambi and South Kalimantan Provinces should be considered as a real forest management unit of collaborative plantation forest and all activities related to plantation forest management practices should be continue.
- Farmer groups should have more capacity building through training program either in forest management or in group management. Farmer groups should also be developed into formal community institution such as cooperative.
- Plantation forest concessionaires should keep their commitment to collaborative plantation forest management by sharing their technical capacity in forest management, marketing and financial (in tem of CSR development) to the community as collaborative partner.
- It is hoped that what had been achieved by the ITTO PD.396/06 Rev.2 (F) could be leaned by other plantation forest concessionaire in order to resolve conflicts and to enhance community participation in developing plantation forest.
- The Directorate of Plantation Forest Development, Forestry Services in province or region should continuously share their contribution to maintain and monitor progress activities as well as in establishment of demonstration sites.
- Forestry extension should be allocated to fulfill community facilitation needs in implementing collaborative plantation forest development.
- The Ministry of Forestry is hoped to launch policy and regulation on development of collaborative plantation forest between community and plantation forest concessionaire. The project results in Jambi and South Kalimantan could be considered as inputs to develop policy and regulation on community based plantation forest development.

## 5. Assessment and Analysis

### 5.1. The project rationale and identification process

The project was built on findings of completed pre-project of ITTO Project PPD 56/02 (F): “Strengthening Central and Sub-National Institution to Enhance Plantation Forest Development in Jambi and South Kalimantan”, carried out in the Province of Jambi and South Kalimantan, Indonesia in 2004/2005.

One of the pre-project finding was that conflicts social in forest area designated for plantation forest concessionaire was major issue that determining progress of plantation forest development. It is impossible to set up or to allocate plantation forest areas that is clear and clean and it is very high costly to make plantation forest areas clear and clean. Therefore, stakeholders desired to develop collaborative plantation forest as a way to resolve conflicts

of social in forest area utilization and simultaneously to enhance community welfare and progress of plantation forest development. However, in developing collaborative plantation forest there are critical issues to be considered namely (i) lack of strategy and mechanism for collaborative plantation forest in term of lack of acceptance of current strategy in plantation forest development and absence of demonstration areas of collaborative plantation forest and (ii) lack capacity of local community in terms of lack of capacities : (a) to adopt strategy and legal framework; (b) to manage nursery and produce vegetative propagation; (c) to conduct appropriate planting and maintaining planted trees; and (d) to execute proper financial management.

Based on the above mentioned conditions of conflict and possibility to develop collaborative plantation forest, the project was planned and set up to fulfill project outputs as follow:

- (1) Develop a strategy for collaborative plantation forest management in Jambi and South Kalimantan and its implementation by establishing demonstration sites.
- (2) Develop practical mechanism of plantation forest establishment through collaborative forest management;
- (3) Training of personnel on collaborative plantation forest management and plantation forest establishment;
- (4) Institutional setting that encourages local communities and industrial commercial plantation forest companies to rehabilitate degraded forests and lands through collaborative plantation forest management;
- (5) Collaborative plantation development in the form of local community and company partnership and mechanism of production/benefit sharing.

## **5.2. The problem to be addressed, objectives and implementation strategy**

### **• The problem to be addressed**

The problems to be addressed and identified were:

- a. How to analysis and identify conflicts happens in Jambi and South Kalimantan and what appropriate methods could be implemented to solve the conflict.
- b. How to develop strategy and mechanism for developing collaborative plantation forest as a conflict resolution approach based existing identified conflicts.
- c. To set up enabling condition to implement strategy of collaborative plantation forest within demonstration set located in Jambi and South Kalimantan Province.
- d. To improve lack of community capacity by setting up and conducting appropriate training.
- e. To set up conditions to develop agreeable Collaborative Agreement of Collaborative Plantation Forest Development between community and plantation forest concessionaire.

- **The Development and Specific Objectives**

- a. Development Objective

- Increased wood production from plantation forests meets domestic and export demand for raw materials, thereby reducing reliance on natural forest extraction.

- b. Specific Objective

- 1) A collaborative plantation forest management approach is made available.
    - 2) Conditions are established for the adoption of the approach by relevant stakeholders.

- **Implementation Strategy**

The implementation strategy of the project relied on how the assumptions of the project, as it shown in Logical Framework Matrix (Table 2) could be fulfilled and how the project activity could be conducted through implementation of appropriate methods and project inputs.

In fact, during the implementation, the project faced many different factors and conditions such as community livelihood and behavior, plantation forest concessionaire policy and priority activity, less interest of stakeholders as well as local government and many other factors that former uncertainty conditions. Therefore, in many cases, the project needed to rearrange some activity to keep project achievement in right track and avoid ineffective time consume and unnecessary budget expenditure.

Technical and management strategy applied during project implementation has been described in the above Sub Section 2.2. However, to conclude all project activities, deliver Project Outputs and achieve Specific Objectives, the project needed to extend project duration without any additional budget. Further, the project was approved to have 19 months extension and finalized in June 2012.

### **5.3. Most critical differences between planned and actual implementation**

The assumptions to fulfill project objectives were mostly fulfilled during project implementation. However, the project needed to be extended since in some activities needed to be rearranged in order to optimize enabling conditions and inputs for the implementation. Therefore, instead of 19 months project extension, it could be stated that there was no critical problems or differences occurred and/or influenced project outputs delivery and project objectives achievement.

The condition of planned strategy and actual strategy is shown as Table 5.

**Table 5: Planned and Actual Strategy of Outputs and Activities**

Planned Strategy	Actual Strategy
<b>Output 1.1: (original)</b> The strategy, legal frameworks and institution of the collaborative plantation forest management in Jambi and South Kalimantan Provinces are accepted by concerned stakeholders.	No Change
<b>Activity 1.1.1. (enhanced)</b> Formulate a strategy for collaborative plantation forest management.	No Change
<b>Activity 1.1.2. (original)</b> Drafting of the legal framework for the conflict resolution approach.	No Change
<b>Activity 1.1.3. (enhanced and merged)</b> Develop a practical mechanism of collaborative plantation forest management based on relevant legislative frameworks	No Change
<b>Activity 1.1.4. (original)</b> Organize workshops on the strategy of collaborative plantation forest management	No Change
<b>Activity 1.1.5. (modified)</b> Disseminate the strategy of collaborative plantation forest management. Final dissemination would be conducted through National Workshop in Jakarta.	No Change
<b>Output 1.2 (original)</b> Demonstration areas for the collaborative plantation forest management in Jambi and South Kalimantan provinces are selected, prepared and agreed by all concerned stakeholders..	No Change
<b>Activity 1.2.1. (original)</b> Carry out survey surrounding the assigned industrial commercial forest plantation companies to select suitable areas for demonstration sites of collaborative plantation forest management.	No Change
<b>Activity 1.2.2. (original)</b> Carry out a socio-economic survey of the communities surrounding the assigned industrial commercial plantation forest companies	No Change
<b>Activity 1.2.3. (original)</b> Carry out public consultations with relevant stakeholders <i>and establish a forum consisting of stakeholders' key persons.</i>	No Change
<b>Activity 1.2.4. (original)</b> Prepare a proposal on demonstration areas for the community plantation forest development.	No Change
<b>Output 2.1. (original)</b>	

Planned Strategy	Actual Strategy
<b>The local communities and the industrial commercial plantation forest companies in Jambi and South Kalimantan Provinces are able to adopt the strategy.</b>	No Change
<b>Activity 2.1.1. (original)</b> Carry out dissemination of the strategy, legal framework and institution of the collaborative plantation forest management among all stakeholders.	No Change
<b>Activity 2.1.2. (original)</b> Carry out a participatory rural appraisal involving all stakeholders in the demonstration areas for the collaborative plantation forest.	No Change
<b>Activity 2.1.3. (original)</b> Facilitate the local community to establish their local framework, organization and institution for collaborative plantation forest management development.	No Change
<b>Output 2.2:</b> <b>10 farmers are well-trained in establishing a small nursery and producing mass production of vegetative propagation of selected species.</b>	No Change
<b>Activity 2.2.1. (original)</b> Prepare a training manual on establishment of a small nursery and mass vegetative propagation techniques of selected species.	No Change
<b>Activity 2.2.2. (original)</b> Prepare and establish a temporary small nursery and cutting production facilities.	No Change
<b>Activity 2.2.3. (original)</b> Prepare wild seedlings and cutting materials of selected species ( <i>fast growing and indigenous species</i> ).	No Change
<b>Activity 2.2.4. (original)</b> Organize a training course on establishing a small nursery and mass vegetative propagation techniques of selected species and cash crops for 10 farmers.	No Change
<b>Output 2.3. (original)</b> <b>50 farmers surrounding the project location are well-trained in planting and maintaining selected species.</b>	No Change
<b>Activity 2.3.1. (original)</b> Prepare and publish a training manual on planting and maintenance techniques for selected species.	No Change
<b>Activity 2.3.2. (original)</b> Provide seedlings of selected species.	No Change
<b>Activity 2.3.3. (original)</b> Select 50 farmers of the local community as training participants	No Change
<b>Activity 2.3.4. (original)</b>	

Planned Strategy	Actual Strategy
Conduct a training course on planting and maintaining techniques of selected species	No Change
<b>Output 2.4. (original)</b> 100 ha of demonstration areas of collaborative plantation forest management are established each in Jambi and South Kalimantan using selected species.	No Change
<b>Activity 2.4.1. (original)</b> Prepare and plan demonstration areas establishment.	No Change
<b>Activity 2.4.2. (dropped)</b> Establish a temporary nursery adjacent to each demonstration site.	Dropped since it was included in the implementation of the Activity 2.4.3.
<b>Activity 2.4.3. (original)</b> Prepare seedlings of selected species at each demonstration area, using improved variety seeds provided by plantation companies, or state-owned companies or Forest Research and Development Agency (FORDA)	No Change
<b>Activity 2.4.4. (original)</b> Prepare the land of the demonstration areas for planting of selected species.	No Change
<b>Activity 2.4.5. (merged)</b> Transport seedlings to demonstration areas.	No Change
<b>Activity 2.4.6. (original)</b> Plant seedlings according to the design and procedure on the demonstration areas, using intercropping with cash-crops.	No Change
<b>Activity 2.4.7. (original)</b> Maintain the planted seedlings/trees intensively using available labor in surrounding areas and other financially profitable inputs such as fertilizers, pesticides, etc.	No Change
<b>Activity 2.4.8. (original)</b> Establish marketing channels for main and by products of the plantation forests.	No Change
<b>Output 2.5. (original)</b> 10 local villagers are trained in financial arrangement and management	No Change
<b>Activity 2.5.1. (original)</b> Prepare and publish a manual for training on financial arrangement and management.	No Change
<b>Activity 2.5.2. (original)</b> Select 10 persons from communities as trainees	No Change
<b>Activity 2.5.3. (original)</b> Conduct training courses on financial arrangement and management	No Change
<b>Output 2.6. (original)</b> Contractual arrangement for the involvement of local stakeholders as project partners adapted.	No Change

Planned Strategy	Actual Strategy
<b>Activity 2.6.1. (original)</b> Carry out and facilitate public meeting in order to identify and formulate stakeholders' need (activities done stakeholders).	No Change
<b>Activity 2.6.2. (original)</b> Draft a contractual arrangement	No Change

#### 5.4. Adequacy of project inputs

In terms of time, project duration was initially planned for 36 months. A 19 months extension without additional funding was granted by ITTO in order to deliver planned activities completely and achieve planned outputs and objectives. The extension was needed due to:

- The time needed to set up field activities as well as finding best quality of seedlings to be planted in demonstration areas.
- To fit project activity with community livelihood activity and plantation forest concession priority activity.
- To rearrange some activity as sequence of other activity.
- Less of intensive communication among stakeholders or project beneficiaries.
- The time schedule to conduct training was always needed to be compromised between the national trainer and farmer group members.
- The need to improve document strategy and mechanism of collaborative plantation forest development based on latest conditions and input learns and gathered throughout project implementation. The project also needed to disseminate strategy and mechanism of collaborative plantation forest development to relevant stakeholders and finding responds to enhance its contents.
- Postponed or rearranged activity would consequently postpone budget disbursement and budget installment. On the other side, behind scheduled of budget disbursement also was a reason why the project needed to be extended.

The financial contribution of ITTO disbursed in the amount of US \$ 396.463 was sufficient to implement planned activities and pay for project personnel. Disbursement of fund was made in six installments at the request of the project during total project duration including within the period of extension.



## 5.5. External Influences

- The assumptions made as regard implementation of the project were valid during the project duration. The government commits to enhance plantation forest development and broader access for the community in forest utilization as well as in developing plantation forest through community based plantation forests development.
- The willingness of community and plantation forest concessionaire involved in conflicts to resolve the conflicts. They also showed potential spirit to consider collaborative plantation forest development as conflict resolution approach. This condition appeared in both project locations of Jambi Province and South Kalimantan Province. The collaborative condition was slowly achieved after the project and national consultants supported by local forestry service conducted appropriate social approach and communication.
- Forest fire commonly happens every year in forest areas where demonstration sites are located. Fortunately, during project duration, long rainy seasons occurred in both project locations. Therefore, planting and maintaining planted trees could be implemented and tree growth were accordingly secured.

## 5.6. Project Beneficiaries

Primary beneficiaries of the project were community or farmers living in and utilizing forest areas and plantation forest concessionaires. In South Kalimantan Province, primary project beneficiaries were farmer group of “Bina Hutan Lestari” (with 20 members) and plantation forest concessionaire of PT. Aya Yayang Indonesia (AYI). In Jambi Province, primary beneficiaries were farmer group of “Harapan Mulia Lestari” (with 23 members) and plantation forest concessionaire PT. Wira Karya Sakti (WKS). The project gave benefit to them through converting demonstration sites areas from conflict forest areas into collaborative plantation forest areas.

Farmers also benefited directly from the project in term of establishment of farmer groups and implementation of three training activity to enhance community capacity. On the other side, the plantation forest concessionaires gained benefit from the project in term of enhancing company knowledge in transferring conflict into mutual benefit collaboration.

Other project beneficiaries were forestry services at provincial and regional level. The forest services could study how collaborative plantation forest could be set up as conflict resolution approach, and promote the demonstration site as successful sample of collaborative plantation forest management.

## 5.7. Sustainability

The MOU of collaborative plantation forest had been developed, agreed and signed by collaborative parties (community or farmer group and plantation forest concessionaire). The collaborative parties would keep their commitment by fulfilling rights and obligations stated in the MOU.

Since the farmer group has been officially acknowledge, the farmer groups have opportunity to join any community capacity building program under the government program to enhance their technical capacity especially in optimizing utilization of demonstration sites.

The plantation forest concessionaire could consider setting up the CSR program into mutual benefit program by supporting demonstration site activities based on the signed MOU in term of financial and technical support.

It is also hoped that region and provincial government especially forestry services could disseminate strategy of collaborative plantation forest to other plantation forest areas in order to share successful implementation happened in demonstration sites. It is also hoped that government support and facilitation would be share to support continuation of collaborative plantation activity would be conducted based on the MOU.

## 5.8. The Institutions involved

The Ministry of Forestry of Indonesia (MOFI), particularly Directorate General of Forest Utilization, has significantly participated in the implementation of the project by chairing the Project Steering Committee (PSC). Four PSC meetings had been conducted during project duration and provided advices and insights to direct project implementations in right track in achieving project outputs and objectives. The MOFI also had addressed and attended the national and local workshops organized by the project.

The forestry services of Jambi Provinces, Region of Tanjung Jabung Timur and South Kalimantan Provinces and Region of Tabalong were sharing their participation in communications and consultation, participating in attending local and national workshops, attending PSC meetings, monitoring and advising field activities. The ITTO has significantly contributed to the successful completion of the project by timely installing the funds and through continued participation in the monitoring of the project.

## 6. Lessons Learned

### 6.1. Specific Objective achieved

There are two specific objectives that should be achieved by the project, namely:

- a. Specific Objective 1: A collaborative plantation forest management approach is made available.
- b. Specific Objective 2: Conditions are established for the adoption of the approach by relevant stakeholders

Both Specific Objectives (1 and 2) should be achieved through delivery of the Project Outputs and implementation of all project activities. As mentioned in the Logical Framework Matrix (as shown in Table 2), in general assumptions for project implementation such as no change government policy on decentralization, participation of collaborative parties and no extreme dry season were fully achieved and accordingly all planned project activities could be fulfilled.

The specific objective of “a collaborative plantation forest management approach is made available” was achieved during project duration and indicated through:

1. Finalizing of document of Strategy and Mechanism of Collaborative Plantation Forest Development.
2. Finalizing of identification and establishment of demonstration sites of collaborative plantation forest management in Jambi and South Kalimantan Provinces.



Two demplots are established and managed in Jambi and South Kalimantan Province

The specific objective of “Conditions are established for the adoption of the approach by relevant stakeholders” was achieved during project duration and indicated through:

1. Finalizing of identification of conflicts areas and involved community and plantation forest concessionaries. Farmer groups were identified and established and acknowledged. Initial benefit sharing agreement between community and plantation forest concessionaires was agreed.
2. Fulfilled community capacity building of farmer groups through relevant trainings.
3. Finalizing of demonstration site activities in term of: (i) develop appropriate technical design and planning; (ii) land preparation; (iii) providing seedlings of selected species; (iv) planting selected seedlings; (v) maintaining planted trees; and (vi) finalizing study on market channels.
4. Developed and signed of agreed MOU of Collaborative Plantation Forest agreed by farmer groups and plantation forest concessionaire.



The appropriate relevant trainings conducted to enhance community individual and group capacity within the collaborative plantation forest development

There was no major change on planned activities in term of methods and inputs. However, the project needed to be extended since some of project activity needed to be rearranged in order to keep project implementation on track in achieving project outputs and objectives. The project extension was also needed to avoid unnecessary budget expenditure.

Completion of project also supported by existing commitment of farmer groups and plantation forest concessionaires to keep spirit and motivation to collaborate and resolve the conflicts. Provincial and Region Governments also shared their attention and contribution to support project implementations.

The project implementation was also guided and advised by the Project Steering Committee (PSC) through yearly PSC Meetings. Throughout the PSC Meetings, the Project Coordinator, National Consultants and National Trainers reported the ongoing Yearly Plan of Operations (YPO) and project activities progress to have endorsement, comment and recommendation from the PSC members. The PSC Meeting was held in order to direct the project

implementation on track in achieving project outputs and objectives. During the project durations, the PSC Meetings were held for 4 times that was in year 2008, 2009, 2010 and 2011. One field visit to demonstration site in Jambi had been conducted by the ITTO PD.396/06 Rev.2 (F) Management, Dr. Hwan Ok Ma on 2 – 3 May 2011 before the 4<sup>th</sup> PSC Meeting on 4<sup>th</sup> May 2011.



1st PSC Meeting



2nd PSC Meeting



3rd PSC Meeting



4th PSC Meeting



Dr. Hwan Ok Ma, in the field visit agenda to the demplot area in Jambi Province

## 6.2. Tangible outputs of the project

The tangible outputs of the project were described as follow:

- The strategy for developing collaborative plantation forest and the mechanism of collaborative plantation forest establishment through conflict resolution approach had been formulated and documented through The Project Technical Reports of Volume 1 and Volume 4-A and Volume 4-B, namely :
  - (i) Technical Report Volume 1: *“Output 1.1. The Strategy, Legal Framework, and Institution Arrangement of Collaborative Plantation Forest Management in Jambi and South Kalimantan Provinces are accepted by all concerned stakeholders”*.
  - (ii) Technical Report Volume 4-A: *“Strategy for Developing Collaborative Plantation Forest : A Conflict Resolution Approach in Indonesia”*
  - (iii) Technical Report Volume 4-B : *“Practical Mechanism of Conflict Resolution on Plantation Forest Development in Indonesia”*
- Strategy for collaborative plantation forest development had been adopted and implemented within two demonstration sites as follow:
  - (i) In South Kalimantan Province, the demonstration site is located in village of Panaan, Sub District of Bintang Ara, Region of Tabalong of 50 hectares and managed by collaborative parties of farmer group “Bina Hutan Lestari” (20 farmer members) and plantation forest concessionaire of PT. Aya Yayang Indonesia. The selected tree species of Karet (Rubber, *Hevea spp*) and Sengon (*Paracerianthes auriculiformis*) were planted and maintained of each 20 hectares and 30 hectares.
  - (ii) In Jambi Province, the demonstration site is located in village of Pematang Rahim, Sub District of Mendahara Ulu, Region of Tanjung Jabung Timur of ± 55 hectares and managed by collaborative parties of farmer group “Harapan Mulia Lestari” and plantation forest concessionaire of PT. Wira Karya Sakti. The selected tree species of Jelutung (*Dyera, sp*) were planted and maintained.

Based on communication approach conducted by the National Consultant, the project found out that in average every farmer member could only managed plantation areas up to 2 (two) hectares. If a farmer granted more that 2 (two) hectares plantation areas, he should necessary involve additional farmer as his employee in order to manage the plantation areas.
- The project had formulated the technical design and plan to manage designated demonstration sites of collaborative plantation forest in Jambi and South Kalimantan Provinces. The technical design and plan was documented as The Project Technical

Report Volume 2 entitled *“Rancangan dan Rencana Teknis Pembangunan Hutan Tanaman Kolaborasi (Lokasi Demplot di Provinsi Jambi dan Kalimantan Selatan)”*

- Farmers from farmer groups of both Provinces had been well trained on the training of : (i) techniques to establish nursery and mass production of seedling through propagation techniques (10 selected farmers had been trained); (ii) planting and maintaining trees (50 farmers had been trained) and (iii) financial arrangement and management.(10 farmers had been trained). Considering the training activity, the project had developed the training manual (modules) and published as Technical Reports Volume 3 entitled *“Manual Pelatihan : (i) Teknik Persemaian dan Silvikultur; (ii) Penanaman dan Pemeliharaan Tanaman; (iii) Pengelolaan dan Manajemen Keuangan”*
- To secure continuation of collaborative plantation forest management within two demonstration sites, the collaborative parties (farmer groups and plantation forest concessionaires) had been officially issued and signed the agreements or the MOUs of collaborative plantation forests development. The MOUs would consequently regulate rights and obligations of both collaborative parties as well as regulate benefit sharing of products and goods harvested from collaborative plantation areas.
- Stakeholders were agreed and desired that strategy of collaborative plantation forest development could be implemented as conflict resolution approach in plantation forest development. Throughout the adoption of the strategy, conflicts could be transferred into a collaborative management of plantation forest. The strategy could also be considered as an approach to enhance community access into plantation forest development as well as to improve their livelihood and welfare. However, the role of local government is very important since conflicts should be handled and resolved based on bottom up process. Appropriate policy and institution such as communication forum would be needed at least within region governmental level. Similar institution would also be needed at provincial level to handle larger conflicts. Accordingly, certain policy and regulation, budget and standard of operating procedure in conflict resolution should be continuously provided.
- The project was operationally managed by the PIU comprising the Project Coordinator and Secretary. Field operations were supported by the National Consultants, National Trainers, Forest Technicians, Forestry services of Province level and Region Level. The project was also supported by commitments shared by plantation forest concessionaires and farmer groups either as project beneficiaries or project partners.
- The project was managed in full compliance with the ITTO rules and procedures. During project duration, four YPOs, ten bi-annual progress reports and four yearly financial audit reports and final audit reports had been submitted to ITTO. Employment of project personnel, national consultants and national trainers and sub-contract activities as well as procurement of capital items were made with the approval of ITTO.

## 7. Conclusions and Recommendations

### 7.1. Conclusions

- i) The identification of the problem to be addressed was based on the findings of completed pre-project which revealed the problems facing by the plantation forest development and focused on social conflicts problems. The identification process was adequate.
- ii) Design of the project was derived throughout analysis with the aid of problem and objective trees. The design was sufficient and formulated implementation strategy conformed with prevailing conditions and formulated assumptions. Planned activity was fitted to outputs indicators and specific objectives of the project.
- iii) Implementation of the project went smoothly despite the 19 months extension in time without additional funding. The extension was required for completing the project. The project needed to rearrange some field activities and sequence activity and time schedule adjustments in order to avoid unnecessary budget expenditure and to ensure effective achievement of the project objectives. The smooth implementation was attributable mainly to the timely installment of funds by ITTO, availability of cooperating institutions and consultants as well as support by the primary beneficiaries (farmer groups and plantation forest concessionaires) and concerned government institutions and officials.
- iv) The project was operationally managed by the PIU. All administrative procurements such as submission of YPO, Biannual Progress Reports, and financial audit reports were accomplished and submitted to ITTO. Employment of project personnel, national consultants and national trainers and sub-contract activities as well as procurement of capital items were made with the approval of ITTO.
- v) The specific objectives of the project were achieved by delivering all planned outputs, which were achieved through execution of planned activities. The project has contributed to the development objective in term of preparing enabling conditions to achieve successful plantation forest development through (i) developing strategy for collaborative plantation forest development as conflict resolution approach, and (ii) setting an alternative solution to enhance community access and participation through a community based forest management.
- vi) The results of the project have been disseminated through the national workshops and seminar, meetings of the PSC and distribution of technical reports to relevant stakeholder's nationwide.



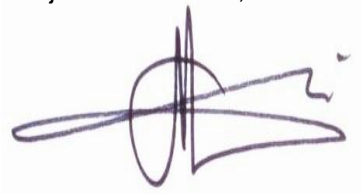
## 7.2. Recommendations

- i) Conflict on plantation forest development was mostly involved many stakeholders with different circumstances. Therefore, it is necessary to identify advantage and disadvantage situation prior to implementing planned project activity. Any disadvantage situation could change project implementation strategy which may result in delayed project completion.
- ii) For any forestry project involved local community, it needs to involve local professionals, such as technical facilitator or extension expert to facilitate the project in developing and maintaining continuous communication and conduct project activity properly.
- iii) Repressive action to resolve conflicts in plantation forest development should be avoided since it would be very costly in terms of economic cost and social cost. Strategy of collaborative plantation forest development could be considered as conflict resolution option.
- iv) The plantation forest concessionaire has obligation to allocate 5 % of its management unit areas for community development. Therefore it is recommended that plantation forest concessionaire should promote collaborative plantation development either to comply with its obligation or to resolve conflicts existed in its management unit areas
- v) The collaborative plantation forest development as conflict resolution approach offered by the ITTO PD.396/06 Rev.2 (F) may very little compare to expanded conflicts happen in plantation forest development. However, it is recommended to implement the strategy and mechanism of collaborative plantation forest development to resolve the conflict at site levels since it could show positive and promising results.
- vi) It is recommended that regional and provincial government should facilitate continuation of activities under the MOU of Collaborative Plantation Forest Management in demonstration site in Jambi and South Kalimantan Provinces.

Jakarta, 8 August 2012

Responsible for the Report

Project Coordinator,



Andi Andriadi

## ANNEX 1

ITTO PD 396/06 Rev.2 (F)  
Project financial statement  
As of 30 June 2012

Component	Amount (\$) USD	Approved amount (A)	Expenditure To-Date			Unexpended Amount (E) (A-D)
			Committed (B)	Expended ©	Total (D) (B+C)	
1. First disbursement	70,000.00					
2. 2 <sup>nd</sup> disbursement	70,000.00					
3. 3 <sup>rd</sup> disbursement	70,000.00					
4. 4 <sup>th</sup> disbursement	65,000.00					
5. 5 <sup>th</sup> disbursement	60,000.00					
6. 6 <sup>th</sup> disbursement	61,463.00					
10. Project Personnel		166,050.00	0	166,050.00	166,050.00	-
20. Sub-contract		126,517.07	0	119,495.53	119,495.53	7,021.54
30. Duty travel		65,112.72	0	63,031.92	63,031.92	2,080.80
40. Capital items		13,302.17	0	12,429.57	12,429.57	872.60
50. Consumable items		9,205.26	0	7,977.35	7,977.35	1,227.91
60. Miscellaneous		16,275.78	0	25,621.16	25,621.16	(9,345.38)
80. ITTO Monitoring and Adm. Cost		67,357	0			67,357
90. Re-fund of pre project cost		44,414	0			44,414
100. Grand Total		508,234.00		394,605.53	394,605.53	113,628.47

## ANNEX 2

ITTO PD 396/06 Rev.2 (F)  
Project Cash Flow Statement  
As of 30 June 2012

	Component	Reference	Date	In US \$	
<b>A.</b>	<b>Funds received from ITTO</b>				
	First Installment		28/11/2007	70,000	
	Second Installment		20/03/2009	70,000	
	Third Installment		26/01/2010	70,000	
	Fourth Installment		15/11/2010	65,000	
	Fifth Installment		15/07/2011	60,000	
	Sixth Installment		05/01/2012	61,463	
	<b>Total Installment</b>				<b>396,463</b>
<b>B.</b>	<b>Expenditure</b>				
	10. Project Personnel				
	11. Project Coordinator			82,500.00	
	12. Project Secretary			27,000.00	
	13. National Consultant			56,550.00	
					<b>SUB TOTAL</b>
					<b>166,050.00</b>
	20. Sub Contract				
	1.- Workshop			18,730.00	
	-Public Consultation			9,083.09	
	-Wrap Up Meeting			12,832.67	
	-National Workshop			15,553.06	
	2. Training Manual			8,250.00	
	3. Seedling Production			11,942.67	
	4. Seedling Planting			23,618.51	
	5. Plant Maintenance			11,124.46	
	6. Training Course			1,593.34	
	7. Establishing Marketing Ch.			3,000.00	
	8. Contractual Arrangement			2,291.83	
					<b>SUB TOTAL</b>
					<b>119,495.53</b>
	30. Duty Travel				
31. DSA			43,991.94		
32. Ticket Transport Cost			18,610.20		
33. Transportation			429.78		
				<b>SUB TOTAL</b>	
				<b>63,031.92</b>	
40. Capital Items					
41. Vehicle			11,015.57		
42. Capital Equipment			1,414.00		
				<b>SUB TOTAL</b>	
				<b>12,429.57</b>	

	50. Consumable Items			
	51. Fuel & Utilities			549.23
	52. Office Supplies			7,428.12
				<b>SUB TOTAL 7,977.35</b>
	60. Miscellaneous			
	61. Auditing Cost			3,750.00
	62. PSC Meeting			712.68
	63. Meeting of the PT Team			3,280.35
	64. Report Development			17,878.13
				<b>SUB TOTAL 25,621.16</b>
	<b>Total Expenditure (B)</b>			<b>394,605.53</b>
	<b>Remaining balance of fund (A-B)</b>			<b>1,857.47</b>

Remark:

*Amounts in US \$ are converted using the average rate of exchange when funds were received by the Executing Agency*

*Final Financial audit report will be separately submitted after finalized.*



MINISTRY OF FORESTRY REPUBLIC OF INDONESIA (MoF)  
INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO)

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**Jakarta, August 2012**