

# INTERNATIONAL TROPICAL TIMBER ORGANIZATION

## ITTO

### PROJECT DOCUMENT

TITLE	APPLICATION OF THE INTERNAL MONITORING OF SFM PERFORMANCE AT FOREST MANAGEMENT UNIT LEVEL
SERIAL NUMBER	PD 389/05 Rev.2 (F)
COMMITTEE	REFORESTATION AND FOREST MANAGEMENT
SUBMITTED BY	GOVERNMENT OF INDONESIA
ORIGINAL LANGUAGE	ENGLISH

#### SUMMARY

The project is proposed based on strong findings in the previous project PD 42/00 Rev. 1 (F) on Training of Trainers for Sustainable Forest Management (SFM). It was concluded that the absence of performance monitoring system within forest management unit in Indonesia, is one of the causes of slow progress on Sustainable Forest Management practices. An internal management performance monitoring system resulted from previous project should be adopted by forest management unit managers. This system will enhance the effectiveness of government control over forest management units.

This project aims to improve the capability of human resources through the implementation of a Performance Monitoring System in their forest management unit. Activities include training of government officers and forest managers all over Indonesia. Training sites will be located in Sumatra, East Kalimantan, West Kalimantan, West and East Java. The training participants will proportionally distributed among regions subject to existing and availability of forest management units.

The training impact and progress of implementation of monitoring system will be evaluated through the SFM achievement monitored by APHI-MoF Joint team

**EXECUTING AGENCY** Directorate General of Forest Production Development, Ministry of Forestry (BPK, Departemen Kehutanan Indonesia) in collaboration with the Association of Indonesian Forest Concession Holders (APHI)

**COOPERATING GOVERNMENTS**

**DURATION** 24 MONTHS

**APPROXIMATE STARTING DATE** TO BE DETERMINED

BUDGET AND PROPOSED SOURCES OF FINANCE	Source	Contribution in US\$	Local Currency Equivalent
	<b>ITTO</b>	<b>381,888</b>	
	Gov't of Indonesia	226,850	
	of which:		
	BPK	15,800	
	APHI	211,050	
	<b>TOTAL</b>	<b>608,738</b>	

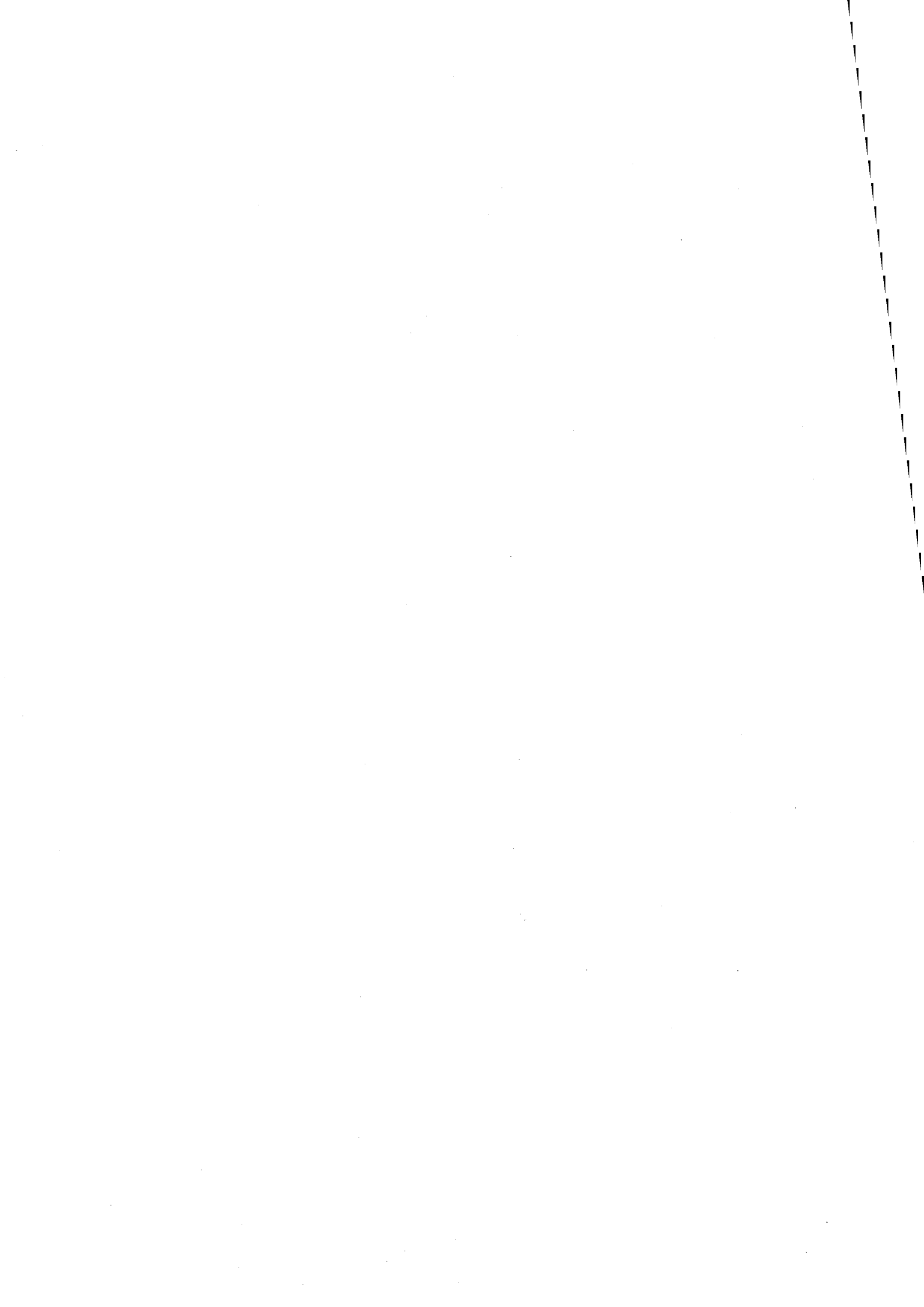


TABLE OF CONTENT  
PROJECT SUMMARY

<b>PART I.</b>	<b>Context .....</b>	<b>1</b>
	1. Origin .....	1
	2. Sectoral Policies .....	2
	3. Programs and Operational Activities .....	2
<b>PART II.</b>	<b>The Project .....</b>	<b>3</b>
	1. Project Objectives .....	3
	1.1. Development Objective. ....	3
	1.2. Specific Objectives .....	3
	2. Justification .....	3
	2.1. Problems to be Addressed .....	3
	2.2. Intended Situation After Project Completion .....	5
	2.3. Project Strategy .....	6
	2.4. Target Beneficiaries .....	6
	2.5. Technical and Scientific Aspects .....	6
	2.6. Economic Aspects .....	7
	2.7. Risks .....	7
	3. Outputs .....	7
	4. Activities .....	8
	Activities 1.1.1. ....	8
	Activities 1.1.2. ....	8
	Activities 1.1.3. ....	8
	Activities 1.1.4. ....	8
	Activities 1.1.5. ....	8
	Activities 1.2.1. ....	8
	Activities 1.2.2. ....	8
	Activities 1.2.3. ....	8
	Activities 2.1.1. ....	8
	Activities 2.1.2. ....	8
	Activities 2.2.1. ....	8
	Activities 2.2.2. ....	8
	Activities 3.1.1. ....	8
	5. Logical Framework .....	9
	6. Work plan .....	11
	7. Project Budget .....	16
	7.1. Overall Project Budget by Activity .....	16
	7.2. Yearly Project by Source – ITTO .....	18
	7.3. Yearly Project Budget by Source – E. Agency .....	19
	7.4. Consolidated Total and Yearly Project Budget .....	20
<b>PART III.</b>	<b>Institutional Arrangements .....</b>	<b>21</b>
	3.1. Management Structure .....	21
	3.2. Monitoring, Reporting, and Evaluation .....	21

a.	Project Progress Report .....	21
b.	Project Completion Report .....	21
c.	Project Technical Report .....	22
d.	Monitoring, Review and SC's Visits .....	22
e.	Evaluation .....	22
3.3	Future Operation and Maintenance .....	22
<b>PART IV.</b>	<b>Tropical Timber Framework .....</b>	<b>22</b>
4.1.	Compliance with ITTA 1994 Objectives .....	22
4.2.	Compliance with ITTO Action Plan .....	23
 <b>ANNEXES</b>		
<b>A.</b>	<b>Profile of the Executing Agency .....</b>	<b>24</b>
1.	The Directorate General of Forest Production Development, the Ministry of Forestry .....	24
2.	The Association of Indonesian Forest Concession Holders (APHI) ...	25
3.	Infrastructure of the Executing Agency .....	26
4.	Personnel .....	26
5.	APHI's Achievements .....	26
<b>B.</b>	<b>Curriculum Vitae .....</b>	<b>28</b>
1.	Curriculum Vitae of Project Formulator .....	28
2.	Curriculum Vitae of Co-Project Formulator .....	29
3.	Curriculum Vitae of Project Manager .....	31
<b>C.</b>	<b>Letter of Agreement</b> between the Association of Indonesian Forest Concession Holders and the Directorate of Natural Forest Development (BPHA), the Ministry of Forestry .....	34
<b>D.</b>	<b>Terms of Reference .....</b>	<b>35</b>
<b>E.</b>	<b>Activities and Inputs .....</b>	<b>37</b>
<b>F.</b>	<b>Recommendation of The 31<sup>st</sup> Panel and Modification .....</b>	<b>41</b>
<b>G.</b>	<b>Figure -1 Training Sites .....</b>	<b>43</b>

## Part I: Context

### 1. Origin

This proposal is designed to systematically and continuously tackle the unresolved problems encountered in practicing Sustainable Forest Management at operational level identified in the previous ITTO project PD 42/00 Rev.1 (F): "Training of Trainers for SFM (Sustainable Forest Management)".

The following barriers were identified as strong findings of the previous project (PD 42/00 Rev.1 (F)), causing slow progress in sustainable forest management practices in Indonesia.

1. The weak of favourable government policies to enable the SFM implementation on the field.
2. The absence of record on progress of forest management performance at the central and local governments as well as the association.
3. The lack of data interchanges between those institutions.
4. The lack of conceptual and technical understanding among forest managers, local and central governments on SFM principles, criteria and indicators.
5. Lack of internal guidelines and procedures to conduct SFM practices.
6. The absence of management performance auditing system as a basis for monitoring and recording of SFM progress.

Existing SFM burdens are also leads to inability of forest management units in obtaining forest management certification in international markets. Moreover, domestically, a highly degraded forest as a result of unsustainably managed forest resources induces the increase of excess demand of timber from natural forest.

Project PD 42/00 Rev.1 (F) has partly contributed in addressing, facilitating and initiating problem solution of those barriers in the following issues:

1. Testing and evaluating the applicability of ITTO C&I in Indonesia's situation. This activity has come out with the best fit of 44 ITTO C&I applicable in Indonesia. This selected ITTO C&I has now been applied as the National C&I in Indonesia and has been published as Ministerial decree no 4795/KPTS-II/2002.
2. Enhancing understanding of principles, criteria and indicators on both a conceptual basis as well as in technical application among forest managers, central and local government authorities and forest consultants in Indonesia.
3. Developing **Guideline for Internal SFM Performance Monitoring** based on selected 44 ITTO C&I for SFM to initially facilitate the 2<sup>nd</sup>, the 3<sup>rd</sup>, and the 6<sup>th</sup>, barriers as above mentioned.

Since the Guideline for Internal SFM Performance Monitoring has not been disseminated to the FMUs, the capability of the FMU managers for the application of the monitoring system has not been performed yet and the improvement of management performance cannot be realized.

By taking into account the earlier findings and achievements, this project is systematically designed to tackle achievable remaining tasks in order to operationally contribute the achievement of *sustainable forest management practices* at field level. This proposed project is complement to other ITTO projects such as Promoting and Adoption of Reduced Impact Logging in Indonesia and Asia Pacific (executed by Centre

for Forest Education Training-Ministry of Forestry of Indonesia and Tropical Forest Foundation) PD 110/01, Project PD 80/01 Consolidating certification system of SFM (executed by LEI), and in line with mandatory certification for the purpose of control endorsed by the government.

This proposed project would also be a realistic step to help individual forest management unit to get into Phase Approach to Certification gate that has been growing as a global initiative.

## **2. Sectoral Policies**

A significant government policy was imposed in 2002 through the issuance of the Minister of Forestry decree No. 4795/KPTS-II/2002 regarding forest certification mandatory scheme for forest management units. Apparently, there is a clear indication of the governmental commitment toward sustainable forest management in the country. This policy was implemented with an earlier project recommendation (PD 42/00 Rev.1 (F)) to Ministry of Forestry in early 2002. The Strategic Plan of the MoF 2005-2009 targeting at least 200 FMUs could achieve SFM. Through mandatory process, 90 FMUs have been evaluated by the MoF regarding their compliance to apply C & I of SFM.

Within the global commitment, the Indonesian Government keeps in line with the global efforts for the conservation of world's forests, such as Rio Convention (1992), UNCED agreement (Agenda 21: **Combating deforestation, and Biodiversity Convention**); the **ITTO year 2000 objective on Sustainable Forest Management**; and the other International community convention on the environmental issues, such as the Kyoto Protocol (Clean Development Mechanism). The policy also forces forest management units to address the problem of market barrier (SFM-certified timber). In Indonesia, this commitment is represented by the issuance of Forestry Ministerial Decrees No. 576/Kpts-II/1993 and No. 610/Kpts-IV/1993 on the enforcement of sustainable forest management implementation for Indonesian Natural Production Forest. The Directorate General of Forest Utilisation through its Decree No. 208/Kpts/IV-Set/1993 has defined the detailed technical guideline for those decrees. Furthermore, the dynamic of forest management issues, the Act no. 41/1999 on forest management was established replacing the Act no.5/1967. The change of those Government policies is designed to achieve sustainable management of the Production Forest Area by considering the present circumstances of forest ecosystem and to contribute to the International efforts for the conservation and sustainable development.

## **3. Programs and Operational Activities**

Further action to the Forestry Ministerial Decree No. 576/Kpts-II/1993, and ITTO year 2000 objective, the association (APHI) proactively prepared any required pre condition needed in order to keep in the right position regarding the adopted ITTO commitment. Meanwhile, the Indonesian Eco-labelling Institute (LEI) focuses on developing an independence of certification scheme.

Responding to those growing issues on forest certification and ITTO year 2000 objectives, two initial committees were established by APHI in 1992 to guide its member achieving SFM:

- The APHI-Evaluation Committee: to evaluate the forest management unit performance, and

- The APhi-Consultative Committee: to consult how to improve the existing performance to the required condition on the framework of a sustainable managed forest management area.

From 1994 to early 1998, about 156 forest concession companies have been evaluated and advised to improve from the current performance to the required condition in accordance with the SFM criteria and indicators used. Forest management units demonstrated a better performance in sustainable forest management implementation a few years after evaluation. However, in early 1998, economic crisis affecting the entire economic climate in Indonesia lead to a reduction in the financial capability of APhi to pursue those activities.

From 2001 to early 2004 through significant support from ITTO, APhi has enhanced forest manager capacity in implementing with forest management practices. These activities have not only enhanced management effectiveness but also identified technical problems faced by forest management units (FMU).

In 2003 the government established Independent Assessment Bodies to assess and evaluate the FMU performance based on mandatory scheme. Thus, the proposed internal monitoring system will support the preparation of the FMUs for certification process.

## **Part II: The Project**

### **1. Project Objectives**

#### **1.1. Development Objective**

To accelerate the implementation of sustainable forest management practices carried out by forest management units as the members of the Association of Indonesian Forest Concession Holders (APhi).

#### **1.2. Specific Objectives**

1. To improve the capability of human resources on the application of Performance Monitoring System initiated in the previous project PD 42/00 Rev.1 (F)
2. ***To promote the government policy on regulating the application of Internal Monitoring Performance Guidelines (IMPG) as a compulsory task among forest management units***

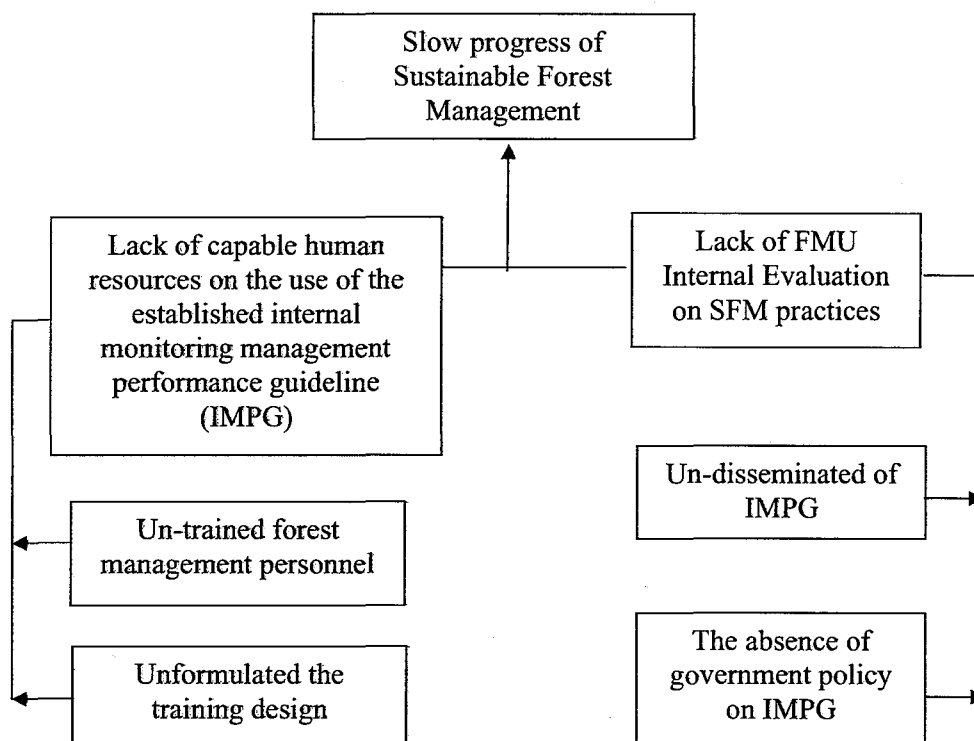
### **2. Justification**

#### **2.1. Problems to be Addressed**

During the period 1997 – 2003 there was a decline in the number of FMU for Natural Tropical Forest from 400 to about 267 FMU. This condition has lead to the decline in the quality and quantity of tropical forest ecosystem. Out of 267 FMU, only five receives SFM certification.

The absence of the internal monitoring of SFM performance in forest management unit level is one of the reasons why forest management units have progressed slowly toward sustainable forest management. The problem tree below describes the causal flow of underlying problems in obtaining sustainable forest management system as defined in the earlier project.

**Figure 1. PROBLEM TREE**



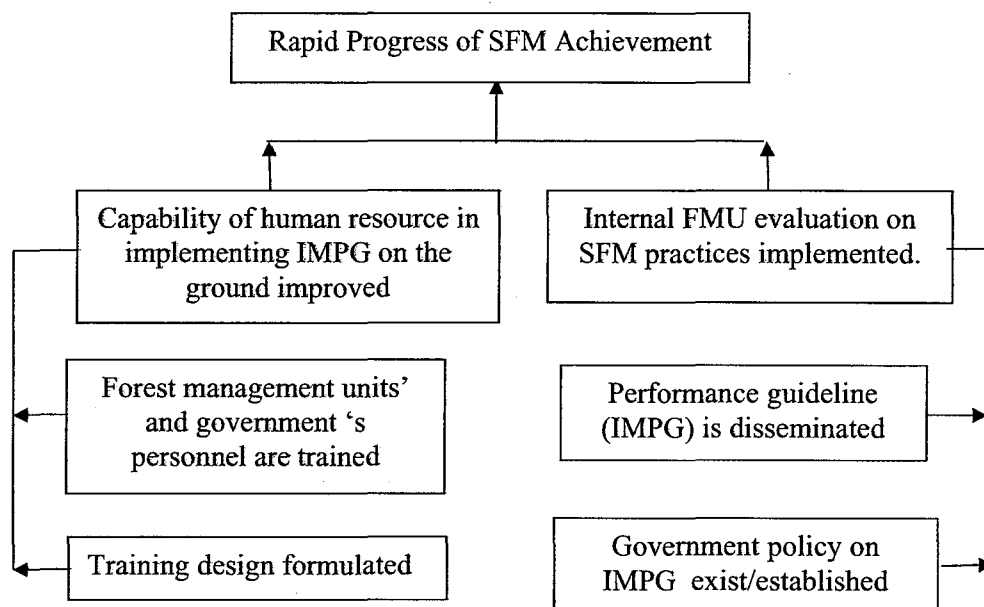
As shown in above figure, through findings in the previous project PD 42/00 Rev.1 (F), those main barriers impede implementation of SFM practices by forest management units. Setting technical understanding on the application of ITTO C&I on the ground, selecting the applicable ITTO C&I for Indonesia situation and establishing an instrument for SFM as a quantifiable and verifiable measure for SFM is a base line for Indonesia to move forward to progress SFM. Those elements are integrated in audit system namely Internal Monitoring Management Performance Guideline (IMPG). This document has been finalized in the previous project activities (PD 42/00 Rev.1 (F).

The Internal Monitoring Management Performance Guideline needs to be applied and disseminated between forest managers and government officers has to prove its effectiveness. Training activities for personnel from each institution is required and an urgent need. The role of government as controlling institution, and forest managers as the actors for field practicing is critical for this monitoring instrument to succeed.

The success of the application of this instrument will be indicated by the increase in number of FMUs to apply for certification a couple of years later. This is because of each FMU will having optimal strategy in conducting SFM in the field and will be equipped to meet SFM requirements.



**Figure 2. OBJECTIVE TREE**



The role of government will be central in this process. The inclusion of government officers and its institution in the project will be meaningful for the success of the project impacts after project implementation. A policy to support the acceleration of SFM practices and disrupted policies will be identified and addressed during project implementation.

The field preparation will include system audit, dissemination among forest managers and government officers, and field-testing. The project will submit a policy paper or report with recommendation from the field evaluation to the government.

## 2.2. Intended Situation After Project Completion

This project will enhance the FMUs performance based on the result of the application of the internal monitoring system. It will also allow forest management to develop their creativity and ability to reach sustainable forest management goal.

The following results are expected after project completion:

- Forest management units have capability in applying the monitoring SFM performance system to evaluate the current management performance and action plan for a continuous performance improvement
- Framework of database system is prepared
- System database has been implemented and designed to accommodate the report from forest management units
- Clear view on the future forest management development, goals and enabling conditions required
- Enhanced the effectiveness of sustainable forest management policy

General results of forest management units after project completion is that all relevant parties (government and forest management units) engage the same view of future forest management development, and apply the same system of monitoring of SFM performance on the basis of the criteria and indicators for SFM. Strong communication and data flow between government and private sector will be established.

### 2.3. Project Strategy

To improve the knowledge of the training participants, the training design will be emphasized on field practices. The trainers employed in the previous project will be engaged in this project. To avoid uncertainties in selecting training location, this project will be located in the cities near by field locations. The training will be participated by 200 participants selected from government officers and forest managers and will be held in the following locations that represent some regions in Indonesia:

- West Sumatra
- West Kalimantan
- East Kalimantan
- West Java
- East Java

### 2.4. Target Beneficiaries

The beneficiaries of the project will be:

- Forest Management Units, Forest Managers that will have a common platform of understanding and relationships in implementing forest management practices.
- Government officers (better understanding in implementing IMPG)
- Consultants and NGOs (in promoting IMPG)

### 2.5. Technical and Scientific Aspects

***Sustainable forest management is a long and progressive process to achieve a sustainable use of forest ecosystem functions both tangible and intangible values to human living.***

***Sustainability concept of Forest Management is dynamic and it is strongly linked to the growing concern of human, the change of global environment and the balance of supply and demand of forest products in the market. Those global issues on forest management have been brought in to global commitments, among nations to restrict forest management activities. Improvement of forest management performance does not mean of establishing or introducing new management strategic but it is more a systematic and continuous effort to adapt and to adjust current performance into expected future performance. Standard of the future forest management performance is naturally dynamic as it is influenced by the timeline, the growing knowledge and the growing human concern.***

***The major issue on the improvement of forest management is how to bring the current forest management performance to expected performance in the future as those are conceptually defined and stated in global commitment articles of sustainable forest management principles.***

**To bring such performance to expected future performance, some technical identification to evaluate the lack or the absence of technology, management strategic and policy environment to make sustainable forest management be possible to execute are necessarily accomplished at on-site level.**

**The previous project (PD 42/00 Rev. 1 (F)) has successfully identified those substantial puzzles and the project come out with a number of policy recommendation and further proposed projects.**

**The absence of integrated historical data records and the absence of sustainable management guidelines, to systematically guide under the principles of continuous improvement, are general phenomena to all FMUs and those were identified in the previous project. The absence of those documents will cause losing of forest management orientation and it will further affect on the disorganized activities to reach the goals of sustainability concept in forest management process.**

**Those documents then named as Internal Monitoring Performance Guideline (IMPG) as recommended in the previous project outputs. This document has a nature of an auditing system for sustainable forest management process.**

IMPG is an internal instrument to evaluate a progressive achievement of forest management towards Sustainable Forest Management. This system is developed on the basis of the ITTO Criteria and Indicators for Natural Tropical Forests published in 1998, taking into account its test results to more than 77 FMUs all over Indonesia. Therefore the IMPG has accommodated the global concern and highly adapted to domestic circumstances. The objective of the IMPG is to technically guide forest management units (FMU) in progressing SFM through: current forest management performance assessment, SFM problem identification and action plan. **Understanding both in the context of enriching knowledge and experiencing on its implementation of IMPG among forest management units will assure the SFM practices to be executed under a systematic framework.**

**The difference between introduced guideline and other similar auditing concept is on its ability to differentiate strategic management approach taking into account given-specific circumstances of each FMU. Forest management typology identification will clarify understanding and knowledge, that specific site will have specific strategic approach to reach SFM.**

**Forest management typology is one important point introduced in the guideline. Its firstly recognized and limited as a scientific knowledge. This knowledge is important to understand the given biophysical, social and cultural circumstances within the area of a forest management unit. This concept has been firstly brought into field implementation, by LEI in forest certification scheme.**

Identifying forest management typology is the threshold in developing strategic approach to forest management unit which is required to reach sustainable forest management.

Forest management typology covers social and biophysical aspects including social, ecological and economical aspects. **A practical guideline to identify forest management unit's typology is incorporated in the IMPG document.**

***To reach successfully apply the IMPG to all FMUs in Indonesia, involvement of high quality resource persons on the field of forest certification, social science, forestry economy and forest management are important.***

#### 2.6. Economic Aspects.

In the short term, a quantified economic outcome resulting from the project successes cannot be directly acquired. Accelerating progress in achieving SFM at forest management unit level is a long-term goal. In addition, the intends to make a better understanding of Forest Manager in conducting SFM, which, in turn, will improve their capability in obtaining forest certification.

The application of C&I for SFM has also promotes awareness among the stakeholders in producing legal timber. Price of legal and certified timber will be increased in certain market.

The application of Internal Monitoring facilitates forest industry in restructuring programs, achieving efficiency and reducing management costs.

#### 2.7. Risks

According to the previous project implementation (PD 42/00 Rev.1 (F)) the risks will most probably come from unavailability of instructors as scheduled in the operational planning and lack of awareness from the board of director, specifically in assigning training participants.

The unavailability of training instructors, however, will be addressed by selection of more experienced instructors on the auditing system from various institutions both locally and nationally.

In the case of recruitment training participants, it is necessary to develop a close collaboration with government (central and sub national level) for official endorsement to follow the project activities.

### **3. Outputs**

#### **Specific Objectives 1:**

To improve the capability of human resources on the application of the internal monitoring of SFM performance system as resulted from previous project PD 42/00 Rev.1 (F)

Output 1.1. Training design formulated

Output 1.2. Forest Management Units' and Government Officers are trained on the use of IMPG

#### **Specific Objectives 2:**

***To promote the government policy on regulating the application of Internal Monitoring Performance Guidelines (IMPG) as a compulsory task among forest management units***

**Output 2.1. The Internal Monitoring Management Performance Guidelines (IMPG) is disseminated and implemented**

**Output 2.2. Government policy on IMPG is formulated**

#### **4. Activities**

Output 1.1. Training design formulated

- 1.1.1. Reviewing the existing monitoring system and improving IMPG (formulated during project PD 42/00 Rev. 1)
- 1.1.2. Design training curriculum, training modules, include materials needed and participant criteria
- 1.1.3. Conducting expert discussion to evaluate the established training curriculum, modules, training materials and participant
- 1.1.4. Formulating TOR for training instructors and discussion on selecting training instructors
- 1.1.5. Formulating and producing of training materials

Output 1.2. Forest Management Units' and Government Officers are trained on the use of IMPG

- 1.2.1. Survey and feasibility assessing of training site in the region
- 1.2.2. Recruitment of participant
- 1.2.3. Conducting training activities for about 7 (seven) days in each establishment training site

**Output 2.1. The Internal Monitoring Management Performance Guidelines (IMPG) is disseminated and implemented**

- 2.1.1. Conducting workshop to disseminate the IMPG among related parties**
- 2.1.2. Conducting a joint team (APHI-MoF) on the evaluation of the training impacts on the progress of the SFM made by forest concession holders

**Output 2.2. Government policy on IMPG is formulated**

- 2.2.1. Analysing the government policies which are suitable with nowadays and future demands
- 2.2.2. **Workshop on formulated government policy**

**Output 3.1. Report**

- 3.1.1. Progress Report and Completion Report

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## 5. Logical Framework

PROJECT ELEMENTS	INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<b>DEVELOPMENT OBJECTIVE</b>  To accelerate sustainable forest management practices by forest concession companies	The number of good FMU performance increase 20%	The Report of FMU Performance by Independent Consultant to the government	Commitment of the Government in monitoring of SFM Mandatory scheme
<b>SPECIFIC OBJECTIVES</b>  1. To improve the capability of human resources on the application of the internal monitoring of SFM performance system as resulted from previous project PD 42/00 Rev.1 (F)  2. <i>To promote the government policy on regulating the application of Internal Monitoring Performance Guidelines (IMPG) as a compulsory task among forest management units</i>	- 200 Personnel from forest management units and government officers are trained - IMPG handbooks are distributed  - The Number of FMU which has defined effective strategy for SFM improvement increase 20%	Report of training Implementation of each sessions and workshop	<ul style="list-style-type: none"> <li>• Project execution is strongly supported by government</li> <li>• FMU willing to implement C &amp; I toward to sustainable forest management practices</li> </ul>
Output 1.1. Training design formulated	- Document of training curriculum and training modules available	Report of training consultant	Training materials in line/compatible with C&I in IMPG
Output 1.2. Forest Management Units' and Government Officers are trained on the use of IMPG	- 200 training participants following training process - Number of distributed Training materials	Report of the execution of training of each session	<ul style="list-style-type: none"> <li>• Information on training instructors are available</li> <li>• Training instructors are available for each training subject</li> <li>• The expertise of training instructors fit to the Term of Reference</li> </ul>

5. Logical Framework

<b>PROJECT ELEMENTS</b>	<b>INDICATORS</b>	<b>MEANS OF VERIFICATION</b>	<b>IMPORTANT ASSUMPTIONS</b>
<b><i>Output 2.1. The Internal Monitoring Management Performance Guidelines (IMPG) is disseminated and implemented</i></b>	- Number of distributed IMPG documents to Forest management units	a. Report on workshop of dissemination of IMPG b. List of recipients of IMPG documents	Participants from Government and FMUs are actively involved
<b><i>Output 2.2. Government policy on IMPG is formulated</i></b>	- Action plan of government policy	Report on workshop of established government policy	Government policy has to encourage the SFM achievement

**6. Work plan**

OUTPUTS/ACTIVITIES	RESPONSIBLE PARTY	Y1												Y2													
		Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4				
		1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12		
<u>Specific Objectives 1:</u> To improve the capability of human resources on the application of the internal monitoring of SFM performance system as resulted from previous project PD 42/00 Rev.1 (F)																											
<u>Output 1.1.</u> Training design formulated																											
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1.1.5. Formulating and producing of training materials																											



6. Work plan

OUTPUTS/ACTIVITIES	RESPONSIBLE PARTY	Y1												Y2											
		Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4		
		1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
<b>Output 1.2.</b> Forest Management Units' and Government Officers are Trained on the use of IMPG																									
Activities:																									
1.2.1. Survey and feasibility assessing of training site in the region																									
1.2.2. Recruitment of participant																									
1.2.3. Conducting training activities for about 7 (seven) days in each establishment training site																									
<b>Specific Objectives 2:</b> <i>To promote the government policy on regulating the application of Internal Monitoring Performance Guidelines (IMPG) as a compulsory task among forest management units</i>																									
<b>Output 2.1.</b> <i>The Internal Monitoring Management Performance Guideline (IMPG) is disseminated and implemented</i>																									
Activities:																									
2.1.1. Conducting workshop to disseminate the IMPG among related parties																									
2.1.2. Conducting a joint team (APHI-MoF) on the evaluation of the training impacts on the progress of the SFM made by forest concession holders																									

6. Work plan

OUTPUTS/ACTIVITIES	RESPONSIBLE PARTY	Y1												Y2											
		Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4		
		1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
<b><u>Output 2.2.</u></b> <b><i>Government policy on IMPG is formulated</i></b>																									
Activities:																									
2.2.1. Analysing the government policies which are suitable with nowadays and future demands																									
<b><i>2.2.2. Workshop on formulated government policy</i></b>																									
<b><u>Output 3.1.</u></b> <b>Report</b>																									
Activities:																									
3.1.1. Progress report and Completion report																									
Auditing-1 and 2																									

Training locations and coverage can be described as follows:

<b>Number of training sessions</b>	<b>Region</b>	<b>Sites (City)</b>	<b>Coverage</b>	<b>Number of participants</b>
1	Sumatra	Bukit tinggi	Sumatra island	25
2	West Java	Bogor	All regions	50
2	West Kalimantan	Pontianak	West Kalimantan	50
2	East Kalimantan	Samarinda	East and Central Kalimantan	50
1	East Java	Malang	All regions	25

Training sites is presented on the map as displayed on Figure 1 of the Annex

**7. PROJECT BUDGET**  
**7.1. OVERALL PROJECT BUDGET BY ACTIVITY**

Output/Activities + Non-Activity Based Expenses	Budget Components						Quarter Year	Total ITTO	Total EA		GRAND TOTAL
	10.Project Personnel	20.Sub-Contracts	30.Duty Travel	40.Capital Items	50.Consm-able Items	60.Miscella- neous			GoI	APHI	
<b>Output 1.1. Training design formulated</b>											
Activity 1.1.1. Reviewing the existing monitoring system and improving IMPG (formulated during project PD 42/00 Rev. 1)	8,800 300 500		200  200		500  500		M1,Q1,Y1	9,500	300	1,200	11,000
Activity 1.1.2. Designing training curriculum, training modules, include materials needed and participant criteria	8,400 800 800	10,000	200  400		1,000  1,000		M2-3, Q1,Y1	19,600	800	2,200	22,600
Activity 1.1.3. Conducting expert discussion to evaluate the established training curriculum, modules, training materials and participant	4,200 300 500		  200		500  500		M4, Q2,Y1	4,700	300	1,200	6,200
Activity 1.1.4. Formulating TOR for training instructors and discussion on selecting training instructors	3,800 300 500		200  200		500  500		M5, Q2,Y1	4,500	300	1,200	6,000
Activity 1.1.5. Formulating and producing of training materials	4,200 200 600		  200		16,500  4,500		M6, Q2,Y1	20,700	200	5,300	26,200
<b>Subtotal 1</b>	<b>34,200</b>	<b>10,000</b>	<b>1,800</b>		<b>26,000</b>			<b>59,000</b>	<b>1,900</b>	<b>11,100</b>	<b>72,000</b>
<b>Output 1.2. Forest Management Units' and Government Officers are trained on the use of IMPG</b>											
Activity 1.2.1. Survey and feasibility assessing of training site in the region	8,400 800 1,000		9,600  1,000		2,000  2,000		M7-8, Q3,Y1	20,000	600	4,000	24,600
Activity 1.2.2. Recruitment of participant	8,400 200 600		200  200		3,000  2,000		M8-10, Q4,Y1	11,600	200	2,800	14,600
Activity 1.2.3. Conducting training activities for about 7 (seven) days in each establishment training site	67,200 1,000 4,000		65,200 11,200 126,400		12,000  8,000		M11-6,Q2,Y2	144,400	12,200	138,400	295,000
<b>Subtotal 2</b>	<b>91,400</b>		<b>213,800</b>		<b>29,000</b>			<b>176,000</b>	<b>13,000</b>	<b>145,200</b>	<b>334,200</b>
<b>Output 2.1. The Internal Monitoring Management Performance Guideline (IMPG) is disseminated and implemented</b>											
Activity 2.1.1. Conducting workshop to disseminate the IMPG among related parties	4,200 100 300	10,000	  200		1,000  1,000		M7,Q3,Y2	15,200	100	1,500	16,800

## 7.1. OVERALL PROJECT BUDGET BY ACTIVITY

Output/Activities + Non-Activity Based Expenses	Budget Components						Quarter Year	Total ITTO	Total EA		GRAND TOTAL
	10.Project Personnel	20.Sub-Contracts	30.Duty Travel	40.Capital Items	50.Consumable Items	60.Miscellaneous			GoI	APHI	
Activity 2.1.2. Conducting a joint team (APHI-MoF) on the evaluation of the training impacts on the progress of the SFM made by forest concession holders	27,000 200 5,000		21,500 10,000		6,000 2,000		M7-9,Q3,Y2	55,100	200	17,000	72,300
<b>Subtotal 3</b>	<b>37,400</b>	<b>10,000</b>	<b>31,700</b>		<b>10,000</b>			<b>70,300</b>	<b>300</b>	<b>18,500</b>	<b>89,100</b>
<b>Output 2.2. Government policy on IMPG is formulated</b>											
Activity 2.2.1. Analysing the government policies which are suitable with nowadays and future demands	4,000		400 350		1,000 200 800		M9-10,Q3,Y2	5,400	200	1,150	6,750
<b>Activity 2.2.2. Workshop on formulated government policy</b>	4,200 200 1,000	10,000	400		1,000 1,000		M11,Q4,Y2	15,200	200	2,400	17,800
<b>Subtotal 4</b>	<b>9,400</b>	<b>10,000</b>	<b>1,150</b>		<b>4,000</b>			<b>20,600</b>	<b>400</b>	<b>3,550</b>	<b>24,550</b>
<b>Output 3.1. Report</b>											
Activity 3.1.1. Progress Report and Completion Report	4,200		200 200		9,000 2,000		M6,Y1 M6,Y2 M12,Y2	13,200	200	2,200	15,600
<b>Subtotal 5</b>	<b>4,200</b>		<b>400</b>		<b>11,000</b>			<b>13,200</b>	<b>200</b>	<b>2,200</b>	<b>15,600</b>
<b>Non-Activity Based Expenses</b>											
Office Rent					24,000		M1-12,Y1-Y2	0	0	24,000	24,000
Computer				2,500 2,500			M1,Y1	2,500	0	2,500	5,000
Auditing						2,000 4,000	Y1,Y2	2,000	0	4,000	6,000
ITTO Monitoring & Evaluation						10,000		10,000			10,000
- Administration 8% of total						28,288		28,288			28,288
<b>Subtotal 6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000</b>	<b>24,000</b>	<b>44,288</b>		<b>42,788</b>	<b>0</b>	<b>30,500</b>	<b>73,288</b>
<b>TOTAL</b>	<b>176,600</b>	<b>30,000</b>	<b>248,850</b>	<b>5,000</b>	<b>104,000</b>	<b>44,288</b>		<b>381,888</b>	<b>15,800</b>	<b>211,050</b>	<b>608,738</b>

## 7.2. YEARLY PROJECT BUDGET BY SOURCE – ITTO

COMPONENT	TOTAL	YEAR 1	YEAR 2
10 Personal	157,600	71,400	86,200
20 Sub Contracts	30,000	10,000	20,000
30 Duty Travel	97,500	34,850	62,650
40 Capital Items	2,500	2,500	0
50 Consumable Items	54,000	30,000	24,000
60 Audit Fee	2,000	2,000	0
<b>Subtotal 1</b>	<b>343,600</b>	<b>150,750</b>	<b>192,850</b>
80 ITTO Monitor, Evaluation and Admin Cost			
81 Monitoring and Review Cost	10,000		
82 Evaluation Costs			
83 Programme Support Costs (8%)	28,288		
<b>Subtotal 2</b>	<b>38,288</b>		
<b>ITTO TOTAL</b>	<b>381,888</b>		

**7.3. YEARLY PROJECT BUDGET BY SOURCE – E. AGENCY**

<b>COMPONENT</b>	<b>Grand Total</b>	<b>TOTAL</b>		<b>YEAR 1</b>		<b>YEAR 2</b>	
		<b>GoI</b>	<b>APHI</b>	<b>GoI</b>	<b>APHI</b>	<b>GoI</b>	<b>APHI</b>
<b>10 Personal</b>	<b>19,000</b>	<b>4,200</b>	<b>14,800</b>	<b>2,950</b>	<b>5,500</b>	<b>1,250</b>	<b>9,300</b>
<b>20 Sub Contracts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>30 Duty Travel</b>	<b>151,350</b>	<b>11,400</b>	<b>139,950</b>	<b>2,800</b>	<b>53,900</b>	<b>8,600</b>	<b>86,050</b>
<b>40 Capital Items</b>	<b>2,500</b>	<b>0</b>	<b>2,500</b>	<b>0</b>	<b>2,500</b>	<b>0</b>	<b>0</b>
<b>50 Consumable Items</b>	<b>26,000</b>	<b>200</b>	<b>25,800</b>	<b>0</b>	<b>13,000</b>	<b>200</b>	<b>12,800</b>
<b>60 Audit Fee</b>	<b>4,000</b>	<b>0</b>	<b>4,000</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>3,000</b>
<b>70 Non Activity Based Expenses</b>	<b>24,000</b>	<b>0</b>	<b>24,000</b>	<b>0</b>	<b>12,000</b>	<b>0</b>	<b>12,000</b>
<b>EXECUTING AGENCY TOTAL</b>	<b>226,850</b>	<b>15,800</b>	<b>211,050</b>	<b>5,750</b>	<b>87,900</b>	<b>10,050</b>	<b>123,150</b>

### 7.3. CONSOLIDATED TOTAL AND YEARLY PROJECT BUDGET

Budget Components	TOTAL				YEAR 1				YEAR 2				
	Total	ITTO	EA		Total	ITTO	EA		Total	ITTO	EA		
			GoI	APHI			GoI	APHI			GoI	APHI	
10	<b>Project Personnel</b>												
	11 National Experts	60,000	60,000	0	0	30,000	30,000	0	0	30,000	30,000	0	0
	12 National Consultants	24,000	24,000	0	0	5,000	5,000	0	0	19,000	19,000	0	0
	13 Project Staff	54,000	40,000	3,200	10,800	31,000	23,800	2,700	4,500	23,000	16,200	500	6,300
	14 National Instructor	38,600	33,600	1,000	4,000	13,850	12,600	250	1,000	24,750	21,000	750	3,000
	<b>19 Component Total</b>	<b>176,600</b>	<b>157,600</b>	<b>4,200</b>	<b>14,800</b>	<b>79,850</b>	<b>71,400</b>	<b>2,950</b>	<b>5,500</b>	<b>96,750</b>	<b>86,200</b>	<b>1,250</b>	<b>9,300</b>
20	<b>Sub Contracts</b>												
	21 Sub-contract (with A)	10,000	10,000	0	0	10,000	10,000	0	0	0	0	0	0
	22 Sub-contract (with B)	20,000	20,000	0	0	0	0	0	0	20,000	20,000	0	0
	<b>29 Component Total</b>	<b>30,000</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>20,000</b>	<b>0</b>	<b>0</b>
30	<b>Duty Travel</b>												
	31 Daily Subsistence Allowance	127,200	49,200	4,200	73,800	41,050	15,950	1,000	24,100	86,150	33,250	3,200	49,700
	32 Domestic Ticket	103,400	43,400	6,700	53,300	43,400	16,400	1,700	25,300	60,000	27,000	5,000	28,000
	33 Local Transport	18,250	4,900	500	12,850	7,100	2,500	100	4,500	11,150	2,400	400	8,350
	<b>39 Component Total</b>	<b>248,850</b>	<b>97,500</b>	<b>11,400</b>	<b>139,950</b>	<b>91,550</b>	<b>34,850</b>	<b>2,800</b>	<b>53,900</b>	<b>157,300</b>	<b>62,650</b>	<b>8,600</b>	<b>86,050</b>
40	<b>Capital Items</b>												
	41 Capital Equipment	5,000	2,500	0	2,500	5,000	2,500	0	2,500	0	0	0	0
	<b>49 Component Total</b>	<b>5,000</b>	<b>2,500</b>	<b>0</b>	<b>2,500</b>	<b>5,000</b>	<b>2,500</b>	<b>0</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
50	<b>Consumable Items</b>												
	51 Office Supplies	18,000	9,750	0	8,250	9,250	5,000	0	4,250	8,750	4,750	0	4,000
	52 Telephone/Facsimile	17,500	12,250	0	5,250	10,750	7,000	0	3,750	6,750	5,250	0	1,500
	53 Fuel Utility	1,500	250	0	1,250	500	250	0	250	1,000	0	0	1,000
	54 Raw Material	6,000	1,250	0	4,750	4,000	750	0	3,250	2,000	500	0	1,500
	55 Photocopy	30,500	25,500	200	4,800	18,500	17,000	0	1,500	12,000	8,500	200	3,300
	56 Meeting Packages	3,500	3,000	0	500	0	0	0	0	3,500	3,000	0	500
	57 Distribution	3,000	2,000	0	1,000	0	0	0	0	3,000	2,000	0	1,000
	<b>59 Component Total</b>	<b>80,000</b>	<b>54,000</b>	<b>200</b>	<b>25,800</b>	<b>43,000</b>	<b>30,000</b>	<b>0</b>	<b>13,000</b>	<b>37,000</b>	<b>24,000</b>	<b>200</b>	<b>12,800</b>
60	<b>Miscellaneous</b>												
	61 Auditing	6,000	2,000	0	4,000	3,000	2,000	0	1,000	3,000	0	0	3,000
	<b>69 Component Total</b>	<b>6,000</b>	<b>2,000</b>	<b>0</b>	<b>4,000</b>	<b>3,000</b>	<b>2,000</b>	<b>0</b>	<b>1,000</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>3,000</b>
70	<b>Non Activity Based Expenses</b>												
	71 Office Rent	24,000	0	0	24,000	12,000	0	0	12,000	12,000	0	0	12,000
	<b>79 Component Total</b>	<b>24,000</b>	<b>0</b>	<b>0</b>	<b>24,000</b>	<b>12,000</b>	<b>0</b>	<b>0</b>	<b>12,000</b>	<b>12,000</b>	<b>0</b>	<b>0</b>	<b>12,000</b>
80	<b>ITTO Monitoring, Evaluation &amp; Review</b>												
	81 Monitoring and Review Costs	10,000	10,000										
	82 Evaluation Costs												
	83 Programme Support Cost	28,288	28,288										
	<b>89 Component Total</b>	<b>38,288</b>	<b>38,288</b>										
<b>100</b>	<b>GRAND TOTAL</b>	<b>608,738</b>	<b>381,888</b>	<b>15,800</b>	<b>211,050</b>	<b>244,400</b>	<b>150,750</b>	<b>5,750</b>	<b>87,900</b>	<b>326,050</b>	<b>192,850</b>	<b>10,050</b>	<b>123,150</b>

**Note :**

Sub-contract (with A) : Designing on the use Guideline for the Internal SFM Monitoring Performance Training

Sub-contract (with B) : Workshop organizer



### **Part III. Institutional Arrangements**

#### **3.1. Management structure**

The Project will be carried out under the coordination of the Ministry of Forestry through the Directorate General of Forest Production Development, and APHI. APHI will be acting as the Project Executing Agency under the overall supervision of the DitGen Forest Production Development, MOF.

Professional manager will assign for the project manager who will be the overall in-charge in the project implementation. The project manager will report to the chairman of APHI and ITTO in consultation with the Steering Committee. The project steering committee will include Ministry of Forestry, ITTO, APHI, Donor countries representative, and private sector. The Project Steering Committee (PSC) will be chaired by The Ministry of Forestry. System Development Specialist, Project Administrator and Training Specialist will assist the Project Manager.

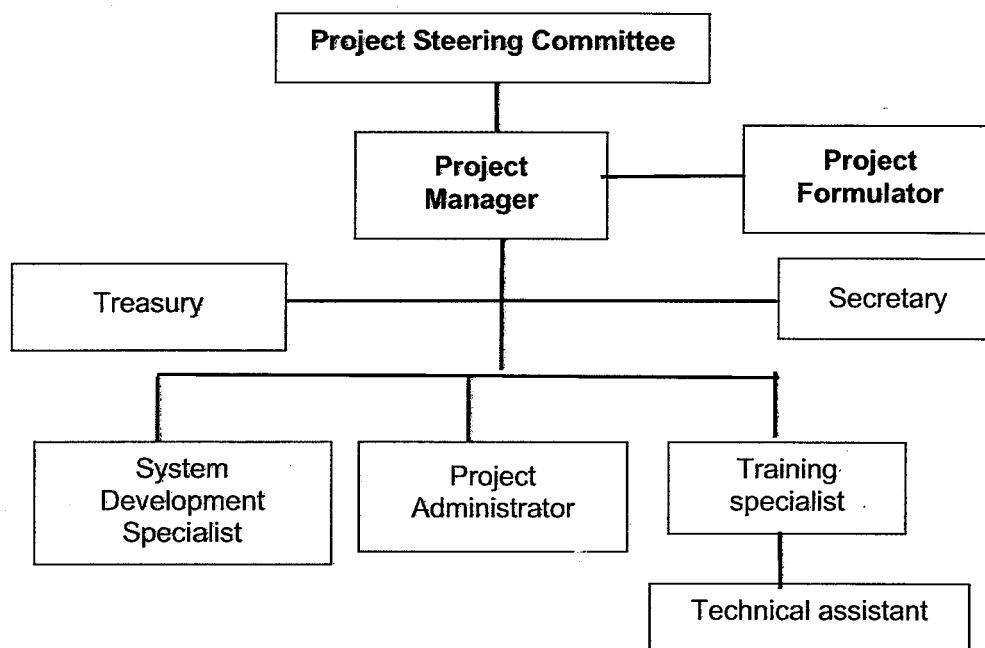


Figure 3. Project Organization Chart

#### **3.2. Monitoring, Reporting and Evaluation**

##### **a. Project Progress Report**

The project progress report will be as follow:

Adhering to the ITTO's rule, provides report twice a year: the first-half yearly report in August while the second half yearly report in February. The project progress report will be submitted at least four weeks before the date of the monitoring visits and two months before council sessions. The project progress report will be the direct responsibility of Project Manager.

##### **b. Project Completion Report**

The project completion report will be submitted to ITTO, covering all project activities, as soon as the project is completed and not later than 3 months after the closing date.

c. Project Technical Report

The project technical reports will be made available to ITTO based on the achievement of the outputs or based on remarkable subject achievement to be shared with ITTO Member countries or other ITTO Projects or as required by ITTO.

d. Monitoring, Review and Steering Committee's visits

The project will be subject to monitoring by representative of ITTO, as Project Steering Committee member, together with other Steering Committee member at least twice a year or fourfold during the project period. Regardless of ITTO's decision to conduct a mid-term evaluation, the project management will conduct an internal evaluation and place the results in the mid term report for ITTO's review.

e. Evaluation

The monitoring mission will decide whether or not a mid-term evaluation is necessary. The date of any such evaluation will be agreed upon between ITTO and the project management and its terms of reference will be jointly formulated by the monitoring mission and the project staff for consideration by ITTO.

A final evaluation will be carried out on project outputs, effects and possible future actions. The date of any such evaluation will be agreed between ITTO and the executing Agency.

### 3.3. Future Operation and Maintenance

Training activities and establishment of the initial database system concept and framework will be important to both APHI and the Ministry of Forestry. It is expected that outputs of the project will help APHI and Ministry of Forestry to implement a systematic step and system to achieve sustainable forest management in Indonesia. As soon as the project output is resulted, the APHI and MOF will take a lead in the future operation and maintenance.

## **PART IV: Tropical Timber Framework**

### 4.1. Compliance with ITTA 1994 Objectives

This project complies with the following objectives laid out in the International Tropical Timber Agreement of 1994:

- a. To contribute to the process of sustainable development.
- b. To enhance the capacity of members to implement a strategy for achieving export of tropical timber and timber products from sustainable managed sources by the year 2000
- c. To promote the expansion and diversification of internal trade in tropical timber from sustainable sources by improving the structural conditions in international markets, by taking into account, on the one hand, a long term increase in consumption and continuity of supplies, and, on the other, prices which reflect the cost of sustainable forest management and which are remunerative and equitable for members, and the improvement of market access
- d. To promote increased and further processing of tropical timber from sustainable sources in producing member countries with a view to promoting their industrialization and thereby increasing their employment opportunities and export earnings

- e. To improve marketing and distribution of tropical timber exports from sustainable managed sources

#### 4.2. Compliance with ITTO action plan

This project proposal is strongly support the ITTO Yokohama Action Plan 2002-2006 in the field of Reforestation and Forest Management with particular references to Goal 1, and Goal 2 as follows:

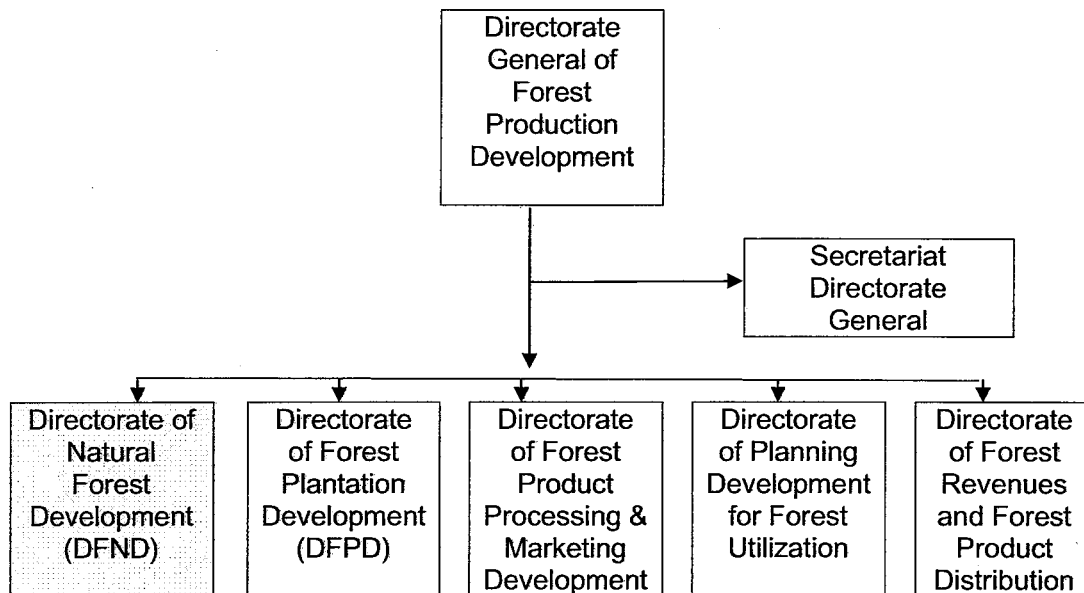
Goal 1. : Support activities to secure the tropical timber resources base

Goal 2. : Promote sustainable management of tropical forest resources

## ANNEX A – Profile of the Executing Agency

### 1. The Directorate General of Forest Production Development, the Ministry of Forestry of the Republic of Indonesia

The Directorate General of Forest Production Development is responsible for forest utilization activities in Production Forest Areas on a sustainable basis, and has functions in providing regulations, services and controls for all aspects related to forest utilization. It consists of five directorates and one secretariat of the directorate general. The Organization Structure as follows:



The DNFD main task is to provide rules and regulations, policy, standard operation and technical assistance for the management and development of natural forest. In order to ensure sustainability of the natural forest resources, the DNFD has carried out a range of activities in particularly promoting the sustainable forest management. **Executing Agency for this Project is under the responsibility of the Directorate of Natural Forest Development (DNFD).**

In the year of 2002 Ministry of Forestry Decree (no. 4795/Kpts-II/2002) has launched criteria and indicators for Sustainable Natural Production Forest Management at the Management Unit. This regulation is being used as a policy instrument by the DNFD to evaluate forest concession performance against the implementation of set of criteria and indicators. This C&I consist of four criteria (enabling condition, production aspect, ecology aspect and social aspect) and 25 indicators. The assessment is carried out to evaluate objectively the level of obedience of forest concession holders to technical regulations as part of process to draw recommendations for granting extension or renewal of permits. To accomplish the assessment process, the Ministry of Forestry has appointed and invited the role eligible independent auditors to evaluate unit management applying the C&I. Up till now there are about 90 concession units had been evaluated, and in 2005, 60 FMU will be evaluated. The Unit Management who will apply for the forest certification process should pass the evaluation conducted by the Ministry of Forestry (mandatory process).

The mandatory verification program has been effective in guiding the Ministry to renew the license, approve new proposal and cancel on going management

operation. This policy has been a good start, yet there has been no comprehensive evaluation and development strategy of the mechanism. Considering this, improvement is necessary.

In supporting the capacity of its staff, the DFND has conducted several training dealing the sustainable forest management such training for assessor for C & I evaluation, and Chain of Custody.

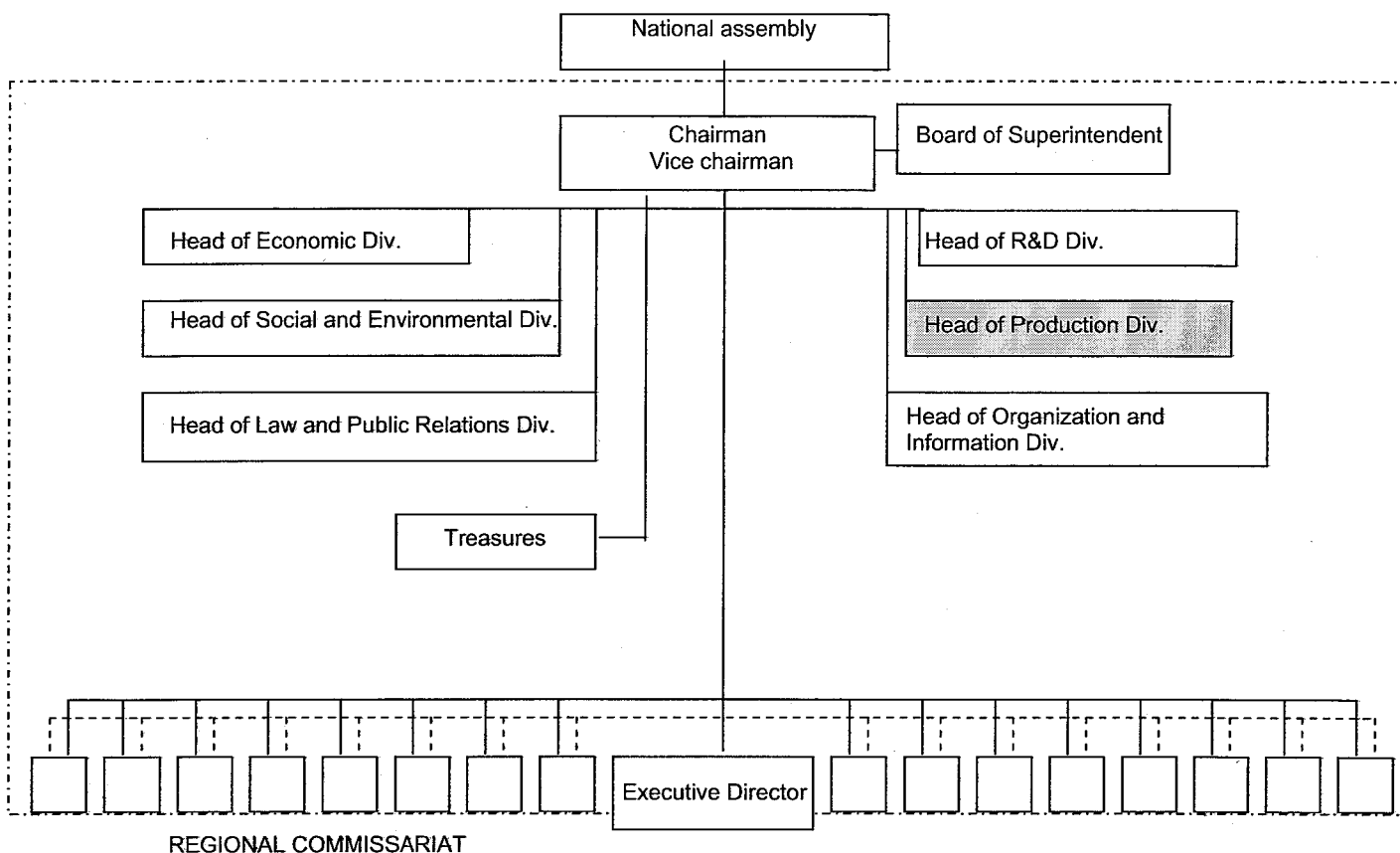
The Directorate of Natural Forest Development is led by Director, and consists of 4 sub directorate and has total 45 personnel that consists of:

No	Description	Number
A	PhD degree	1
B	Master degree	9
C	Graduation degree	13
D	Middle level technicians and administrative	22
	Total	45

## 2. The Association of Indonesian Forest Concession Holders (APHI)

The Association of Indonesian Forest Concession Holders (APHI) is a non-profit organization was established in Jakarta on November 21<sup>st</sup> 1983. Its vision and mission is to facilitate the interest of the members and to participate in the improvement of the Indonesian people's welfare, especially those who live in and adjacent the forest, APHI applies forest management professionally based upon sustainable forest ecosystem management. APHI is expected to be an institution, which has a high level of integrity and credibility in implementing its function as motivator to support the members and other stakeholders' roles to promote forest management in accordance to the principles of sustainable timber productions, environmental and social considerations.

The organization composed by six profession departments, secretary general (executive body) and 15 region commissariats (DPD/KOMDA-APHI). The organization structure as follows:



### 3. The infrastructure of the executing agency

The Association of Indonesian Forest Concession Holders consists of 280 concessionaires which covers more or less 20 million hectares all over Indonesia. The office is situated in Manggala Wanabakti building 5<sup>th</sup> floor, that includes facilities, such as offices and meeting rooms.

### 4. Personnel

No	Description	Number
A	S2 (Master degree)	2
B	S1 (Graduation degree)	6
C	Middle level technicians	2
D	Administrative personnel	1
	Total personnel in Forestry related fields	10

### 5. APHI's Achievements

The Association of Indonesian Forest Concession Holders (APHI) has supported the Indonesian concessions through its programme in the implementation of sustainable forest management in Indonesia. The following are some programme that have been provided by the APHI:

#### 5.1. Established Experts panels

Experts Panels were established to support APHI's programme related to sustainable forest management implementation. Panels included:

- A. Expert panel for preparation of evaluation of sustainable forest management. Main task of this panel was to develop proper criteria of sustainable forest

management in Indonesia. This panel has developed criteria and indicators for sustainable natural forest management, both that can be applied nationally and for unit management.

- B. Expert panel to facilitate forest concessions (members) in implementing sustainable forest management principles. Task of this panel was to support members in their efforts to achieve sustainable forest management through providing inputs, evaluation and suggestions in their operations.
- C. Expert panel of environmental management of forest concessions and forest industries. This panel was established to support members on their operations related to environmental issues through providing inputs, evaluation and suggestions in their operations.

#### 5.2. Established cooperation with relevant institutions

APHI has developed joint cooperation with relevant institutions as its efforts to develop and enhance sustainable forest management in Indonesia. The following are some cooperation has been established:

- A. International Tropical Timber Organization (ITTO)  
APHI obtained grant from ITTO to conduct training of trainers to implement ITTO's criteria and indicators of sustainable forest management.
- B. Tropical Forest Foundation (TFF)  
Cooperation was aimed to develop techniques in timber harvesting that could reduce negative impact to the forest (low impact logging) and economically give profit.
- C. VVNH (Netherlands's tropical timber exporter association) and RET (Netherlands's tropical timber exporter)  
Cooperation was established since numbers of Netherlands tropical timber exporters required guarantee that timber purchased came from forest that sustainably managed.
- D. Indonesian Ecolabelling Institution (LEI)  
Cooperation was established to carry out implementation of forest certification.
- E. BIOTROP  
Cooperation was established to support research and exploration of Indonesian flora.
- F. Queensland Forest Research Institute (QFRI)  
Cooperation established to carry out comparison study related to forest research in order to enhance knowledge in managing tropical forest and timber estate.
- G. Other institutions  
APHI has actively involved in some meetings and discussions with relevant institutions including: CITES, CGIF, ICRAF, etc.

#### 5.3. Trainings

APHI has supported and conducted trainings for its member's staff to enhance skills and knowledge with regard to the implementation of sustainable forest management.

**ANNEX B**  
**Curriculum Vitae**

**B1. Curriculum Vitae of Project Formulator**

**1. Personal Data**

**Name** : LASMINI  
**Place and date of Birth** : Jakarta, 9 December 1959  
**Nationality** : Indonesian  
**Address** : Perumahan Griya Indah, Jl. Griya  
Indah Raya No. 41 Sindangbarang  
Bogor 16610  
Phone (0251) 318416  
**Mail address** : Directorate Bina Pengembangan Hutan  
Alam, Dit.Gen Forest Production  
Development, Ministry of Forestry  
Manggala Wanabakti building Block I,  
floor 11 Jl. Gatot Subroto, Senayan Jakarta

**2. Education and Training programme**

- **University degrees:**
  - 1978-1982** : Graduated from Bogor Agricultural Institute (IPB= Institut Pertanian Bogor) Faculty of Forestry, BSc degree.
- **Training/Workshops:**
  - June 1991: **Project Preparation Workshop, Bangkok-Thailand**
  - June- August 1992:** Tropical Agroforestry Course, Edinburgh – U.K
  - January 1995:** Project Evaluation Workshop, Washington- USA
  - August 1998: **Improved Environmental Management in the Forestry Sector of Indonesia, Study tour to Sweden, funded by SIDA .**
  - April 2000:** Workshop to Train Trainers on the use of the Manual for Application of the ITTO Criteria and Indicators for the Sustainable Management of Natural Tropical Forests, Kuala Lumpur- Malaysia.
  - January – February 2002:** Short course on Forest Resource Economics and Project Management, University of Wales, Bangor-UK.
  - January 2003:** Advanced EMS Auditing Course for Quality and Environmental Professionals (ISO 14001) – IEMA Approved. Certificate of ISO 14001 Auditor.
  - November 2003:** Course on Field Assessor of Sustainable Forest Management held by Indonesian Eco-label Institute in Bogor, Indonesia. Certificate of Assessor on Social Aspects.

**3. Professional experience**

- **Employment record:**

**A. Permanent occupation**

No.	Time Period	Position/Title
1.	Feb.2002 - now	Head, Section of Non-Timber Forest Products Development
2.	Mei 2001 to Feb. 2002	Head, Section of Non-Timber Forest Product Promotion and Trade



3. 1992 to 2000 Head of Section, Foreign Technical Cooperation at the DG of Production Forest Utilization
4. November 1983 -1992 Staff of Sub Directorate of Foreign Technical Cooperation at DG of Production Forest Utilization

**B. Other Experiences**

- Project Proponent of ITTO Project:
  1. PPD 88/03 Rev.2 (I), Strategy for Sustainable utilization of NTFP involving Local Communities in West Sumatra.
  2. Improvement the Efficiency of Secondary Processing Industry for Ebony Wood in Central Sulawesi (still being proposed).
- Counterpart of South and Central Kalimantan Production Forest Programme (EU—funded project): 1998-2004.

**B2. Curriculum Vitae of Co-Project Formulator**

**1. Personal Data**

**Name** : FAJARIANA TEJA KUMALASARI  
**Place and date of Birth** : Yogyakarta, 7 October 1969  
**Nationality** : Indonesian  
**Address** : Jl. Mindi G-90/17 KPAD Cibubur  
 Jakarta Timur, 13720  
 Phone (021) 70980345  
**Email** : fkumalasari@yahoo.co.uk

**2. Education**

- 1988-1994: Graduated from Gadjah Mada University, Yogyakarta, Faculty of Forestry, Bachelor in Forest Resource Conservation

**3. Training/Workshops**

- Workshop of Grand Design of Research and Development of Forestry organized by the Research and Development Agency, the Ministry of Forestry (September, 2005)
- Training Financial Analysis of Logging System: An Introduction to RILSIM, Asia-Pacific Forestry Commissions (APFC) & the Tropical Forest Foundation (TFF) Jakarta. (July, 2005)
- Development Strategy for Sustainable Wood Industry organized by the Research and Development Agency, the Ministry of Forestry (December, 2004)
- Workshop RIL on Sustainable Forest Management Implication: Lesson Learn From Field, Tropical Forest Foundation (Agustus 2003)
- The International Seminar of SFM-Certification, GTZ and the Ministry of Forestry (May 2000)
- Workshop on Criteria and Indicators for the Sustainable Management of Tropical Forest Plantations, CIFOR Headquarters, Bogor (Maret 1998)

#### 4. Working experience

December 2004 – now	Technical/Government Relation, the Association of Indonesian Forest Concession Holders. <ul style="list-style-type: none"><li>▪ Ad-Hoc Team Secretary of Plantation Forest Management.</li><li>▪ Member of Ad-Hoc Natural Forest Management Team.</li></ul>
December 2000 – March 2004	Project Administrator, Project ITTO PD 42/00 Rev. 1 (F) “Training of Trainers for the Application of the National and ITTO Criteria and Indicators of Sustainable Forest Management at Forest Management Unit Level”
July 1994–September 2004	Technical Staff Eco-labeling and Environment Division, the Association of Indonesian Forest Concession Holders <ul style="list-style-type: none"><li>▪ Field coordinator on Eco-labeling System project for the Forest Concession in Central Sulawesi, South East Sulawesi, West Kalimantan, East Kalimantan, Central Kalimantan, South Kalimantan and Maluku province. The project was implemented within the framework of Sustainable Forest Management</li><li>▪ Coordinator on Regional Workshop Sustainable Forest Management, West Kalimantan and South Kalimantan</li><li>▪ Member of Working Group Sustainable Forest Management Verification in the Framework of Self Declaration Program</li><li>▪ Member of Sustainable Forest Management Incentive Team</li></ul>
October – November 2005	Field Assessor, PT. Ayamaru Bhakti Pertiwi Assessment of performance management for plantation forest concession under the forest certification mandatory scheme.
October – November 2004	Field Assessor, PT. Multidecon Internal. Assessment of performance management for natural forest concession under the forest certification mandatory scheme.
July 1990–June 1991	Assistant of Forest Measurement Course, Gadjah Mada University

### B3. Curriculum Vitae of Project Manager

#### A. Personal Data

Name : Rukmantara  
Place and date of birth : Tasikmalaya, 28 October 1964  
Marital Status : Married  
Address : Jl. Boni No. 43B Petukangan Utara  
Kebayoran Lama-Jakarta.  
Phone : +62 21 58900561 (Hp 0815 1010 4930)

#### B. Education

1. PhD candidate on Agriculture Economics-Bogor Agricultural University (Bogor-Indonesia)
2. Master of Science in Ecological Economics . Ecological Agriculture and Environmental Economics Department, Agricultural University, Wageningen, The Netherlands. Major subject: Tropical Forest Management.
3. Graduated from the Faculty of Forestry, Bogor Agricultural University, (IPB), Bogor – Indonesia

#### C. Informal Education, Training and Presentation

1. Presenter on the Seminar of the Economic Consideration Toward Sustainable Forest Management in Indonesia – certified
2. Presenter in the International Workshop on Sustainable Forest Management (SFM), conducted by IFBWW, Jakarta-Indonesia 1998
3. Agriculture landscape design-Toulouse, France-1997
4. International Training for Trainers for ITTO C&I conducted by ITTO
5. International Seminar on Controlling Illegal Logging in South Asia (WWF-World Bank)
6. Indonesian delegation in the ITTO Council meeting (Yokohama 2000, and Bali – Indonesia 2002)
7. Participant in the Asia-Pacific Forestry Commission (FAO) meeting, Kuching Malaysia 26 February s/d 2 March 2001
8. Presenter in the Pan Asean Certification Initiatives meeting on the evaluation of the use of the C&I for sustainable forest management in Indonesia (7 July 2003 Yogyakarta -Indonesia)

#### D. Organization Experience

1. Active member of A Pan Asean Certification Initiative (Regional Scheme of forest certification)
2. Chairman of the Organizing Committee of the National Multi stakeholders Workshop on “Strategic Approaches To Overcome Obstacles of Sustainable Forest Management Practices in Indonesia” Jakarta 15-16 July 2003
3. Active member on the Certification Management Committee (CMC), Sucofindo, co. ltd.-Indonesia
4. Member of the Expert Panel Board on the International Seminar of SFM-Certification conducted by GTZ, APHI, MOFEC (2000)
5. Active member of Consultative Group On Indonesia (CGIF) in 1999-2000

#### E. Publication

1. Dimension Stability of the Exterior Plywood by Acetylation (1990)
2. Technical Implementation of Statistical Method Toward Timber Potential Survey (1992)
3. Cost Comparison Model Analysis (economic analysis) and Computer Programming of Re – Afforestation; third series (International Publication)...(1995)

4. Harmonized Criteria and Indicators Used in APHI-Certification. Can they be executed? (Paper presented in the International Workshop on Sustainable Forest Management July 1998-Indonesia)
5. Modern Economic Perspectives in Tropical Forest Management. Environmental Economic Analysis...(published article1999)
6. Ecological Economics of Tropical Forest Management, field application of monetary valuation on the socio-ecological value of tropical forest functions (MSc-Thesis 1998)
7. Sustainable Forest Management Certification, a challenge and opportunity in global market (published article in 2000)
8. Reduced Impact Logging (published article- 2000)
9. The Sustainable Forest Management (SFM) overview resulting from the ITTO consultant evaluation (Bulletin Hutan Indonesia- 2000)
10. Economic Discrepancy and the Government Policies on Natural Forest Management. An Environmental Economics Analysis (LINK-Environmental Magazine, Vol. 7. October 2000)
11. Practice and Problem facing on Reduced Impact Logging Implementation in Indonesia. Paper presented in the International Workshop on The Acceleration of Reduced Impact Logging (RIL), Bogor 2-3 May 2001-Indonesia
12. Sustainable Forest Management (SFM) has reached a frustrating point (published- 2003, Indonesia)
13. Repairing Road To Sustainability ("Tropical Forest Update" the International Journal - 2003)-ITTO-Yokohama

#### F. WORK EXPERIENCE

2004-now Active membership in:

1. *Certification Management Committee (CMC)* of Sucofindo Co. Ltd.
2. Government task force of Criteria and Indicators for Sustainable Forest Management.
3. Reviewer Performance evaluation policy of primary forest industry (SK 303/Kpts-II/2003) engaged by Apkindo
4. Consultant to **Working Group-Tenure-Bogor**. (This institution is dealing with forestry tenure-issue including social problem on forest land in Indonesia.)
5. Executive secretary of **Community of Indonesian Forester**
6. Forestry experts in **Ayamuru** forestry consultant-Bogor

2000-2004 International Project Activities including Project Formulation, Implementation & Evaluation.

1. **ITTO Project Manager on Training for Trainers** for the application of the National and the ITTO Criteria and Indicators for Sustainable Forest Management at Forest Management Unit Level. Having the duty: project proposal formulator, project design and implementation, project monitoring and evaluation and reporting.
2. **Member of Ad-hoc Working Group on A Pan Asean Certification Initiatives.**
3. **Project Appraisal Committee for the Project Proposal Evaluation to ITTO.**
4. Member of the **Certification Management Committee (Consultative Management Committee) of Sucofindo (Persero)**. The duty of CMC is to Advice the Governing Board and General manager of Sucofindo in the formulation and implementation of policies matters. To be responsible for the

approval of policies relating to certification schemes operated by the Sucofindo ICS.

- 1998-2000 Coordinator for Ecolabelling and Environmental Law Division and Human Capacity Building (The Association of Indonesian Forest Concession Holders, APHI)
- 1993 – 1998 International Research project for SFM Development on the framework of APHI-Tropenbos-Ministry of Forestry of Indonesia (East Kalimantan-Indonesia). Researcher on Forest Economics and Forest Monitoring within the framework of the International of MOF-Tropenbos Kalimantan Project having the duty of :
- 1991 – 1993 The Head of PPC (Planning and Production Control) Dept. of PT. MARKITA BORNEO TIMBER, Indo plywood Group in West Kalimantan. Having the duty of: Commercial Forest Management Units
- 1990 – 1991 Head of Reforestation Dept. of PT. WANAWATY (Indo plywood Group) in West Kalimantan. having the duty of preparing and arranging areas to be enrichment planted with regeneration plant in accordance with the TPTI (The Indonesian Selective Cutting System)

## ANNEX C.

### Letter of Agreement between the Association of Indonesian Forest Concession Holders (APIH) and the Directorate of Natural Forest Development (BPHA), the Directorate General of Forest Production Development (BPK), Ministry of Forestry, Indonesia

#### BACKGROUND

Based on strong findings in APIH previous project PD 42/00 Rev.1 (F) on Training of Trainers for Sustainable Forest Management (SFM), the absent of performance monitoring system within forest management unit in Indonesia was one of the factors that caused the progress of Sustainable Forest Management practices moved slowly. Since the previous project was successfully established a system for internal management performance monitoring, it is critical to disseminate and to promote the adoption of the monitoring system as a Handbook for forest management unit. This *handbook* can also be utilized as a progress report of forest management unit toward SFM. On the other hand, this system will enhance the effectiveness of government control over forest management units

#### PURPOSE

The purpose of this LETTER OF AGREEMENT is to accelerate the implementation of sustainable forest management practices carried out by forest management units. Therefore, APIH and BPK through BPHA, Ministry of Forestry, and Indonesia have agreed to propose a project title "The Application of Internal Monitoring of Sustainable Forest Management Performance at Forest Management Unit Level in Indonesia". This proposed project will be submitted to the International Tropical Timber Organization (ITTO) in order to obtain the financial assistance.

THIS AGREEMENT is effective on this 29 (twenty nine) of October, 2004 IN APPROVAL, the parties, through their authorized representatives, have affixed their signatures below.

Party(s):

Director of BPHA the Ministry of Forestry:

Executive Director of APIH:



## ANNEX D. TERMS OF REFERENCE

### D.1. TERMS OF REFERENCE OF EXPERT PANEL:

#### Qualifications:

Expert panel member should have degree on Forest Management and familiar with certification process. Experience on evaluating Forest Management Unit in achieving SFM.

#### Duties:

1. To compile the compatibility of the ITTO C&I and the National C&I for Sustainable Forest Management to be incorporated in the curriculum design
2. To analyzed the general existing condition and problem facing related to the implementation of the sustainable forest management practices over the forest concessionaires
3. To formulate a mitigating action and crash program needed toward main problem issues on Forest Management Unit to be incorporated in the training curriculum and training module
4. To formulate training design and curriculum
5. To define criteria for core trainer (instructor) and trainee
6. To identify 5 training sites in five regions where the training sites will be situated

### D.2. TERM OF REFERENCE FOR THE NATIONAL EXPERT

#### 1. Project Manager

##### Qualification:

As a Team/Project Leader the incumbent should have a post-graduate qualification in forest management science, natural resource management, and at least 5-year experience in forest certification and training.

##### Minimum Requirements:

- Team Leadership experience essential
- Understanding of Forest Certification process and scheme
- Familiar with ITTO C&I
- Good knowledge of the Sustainable Forest Management and training to achieve SFM including the government legislation
- Experience of training process
- Fluency in English

##### Responsibilities

- To organize the meeting for executing the project, including to develop work plan, and to coordinate expert meeting
- To monitor and to evaluate project execution, program and budget implementation
- To coordinate with other institutional concerned
- To make report to ITTO
- To make report to the Executing Agency
- Period of assignment will be 2 (two) years

#### 2. Training Management Specialist

##### Qualification:

- A degree in forest management with formal training in SFM process using several certification scheme
- Experience in organizing and conduction training courses on SFM
- Fluency in English

- Familiar with ITTO project and regulation

Responsibilities:

- Review the possible venues of the course and select the most appropriate
- Finalize the exact programme
- Attend the project related workshops
- To maintain a good communication to work within the teamwork
- To assist project manager in organizing, scheduling, reporting all activities in the training process under supervised by the project manager
- To compile and to resume all exercise report conducted by trainers
- To resume all project meeting and report (submit) to project manager
- To define and to secure the training schedule and scenario each training site
- Study on the compatibility of the revised ITTO C&I and the National C&I

**3. Institution Specialist**

Qualification:

Degree in Forest Management with 5 year experience in institutional establishment. Good knowledge of Government policy and regulations in Sustainable Forest Management (SFM) and forest certification

Responsibilities:

- The incumbent should analyze the existing government policy and regulation
- Preparing draft of needed government regulation
- Maintain good communication with teamwork
- Prepare workshop for dissemination of new draft policy



**ANNEX E.  
ACTIVITIES AND INPUTS**

**Output 1.1. Training design formulated**

Activities	Inputs		Unit cost (US\$)	Quarter Year	Budget Component	Total Amount	
	Units and quality	No.					
1.1.1. Reviewing the existing monitoring system and improving IMPG (formulated during project PD 42/00 Rev. 1)	<u>Personnel</u>						
	1. Project Manager	1 mth	2,500	M1, Q1,Y1	11	2,500	
	2. Secretary	1 mth	500			500	
	3. Admin/Finance	1 mth	400			400	
	4. Project Staff	2 x 1 mth	400			800	
	5. Expert Panel	5 x 1 mth	1,000			12	5,000
	<u>Duty Travel</u>						
	1. Local transport	1 mth	200		33	200	
	<u>Consumable Items</u>						
	1. Office supplies	1 mth	250		51	250	
2. Telephone/Fax	1 mth	250		52	250		
TOTAL 1.1.1.						9,900	
1.1.2. Design training curriculum, training modules, include materials needed and participant criteria	<u>Sub contract</u>		1 pack	10,000	M2-3, Q1,Y1	21	10,000
	<u>Personnel</u>						
	1. Project Manager	2 mth	2,500		11	5,000	
	2. Secretary	2 mth	500	1,000			
	3. Admin/Finance	2 mth	400	800			
	4. Project Staff	2 x 2 mth	400	1,600			
	<u>Duty Travel</u>						
	1. Local transport	1 mth	200		33	200	
	<u>Consumable Items</u>						
	1. Office supplies	2 mth	250		51	500	
2. Telephone/Fax	2 mth	250		52	500		
TOTAL 1.1.2.						19,600	
1.1.3. Conducting expert discussion to evaluate the established training curriculum, modules, training materials and participant	<u>Personnel</u>						
	1. Project Manager	1 mth	2,500	M4, Q2,Y1	11	2,500	
	2. Secretary	1 mth	500			500	
	3. Admin/Finance	1 mth	400			400	
	4. Project Staff	2 x 1 mth	400			800	
	<u>Duty Travel</u>						
	1. Local transport	1 mth	200		33	200	
	<u>Consumable Items</u>						
	1. Telephone/Fax	1 mth	250		52	250	
	2. Fuel utility	1 mth	250		53	250	
TOTAL 1.1.3.						4,900	
1.1.4. Formulating TOR instructors, training instructors and discussion on selecting training instructors	<u>Personnel</u>						
	1. Project Manager	1 mth	2,500	M5, Q2,Y1	11	2,500	
	2. Secretary	1 mth	500			500	
	3. Admin/Finance	1 mth	400			400	
	4. Project Staff	2 x 1 mth	400			800	
	<u>Duty Travel</u>						
	1. Local transport	1 mth	200		33	200	
	<u>Consumable Items</u>						
1. Telephone/Fax	1 mth	250		52	250		
2. Raw material	1 mth	250		54	250		
TOTAL 1.1.4.						4,900	

**Output 1.1. Training design formulated**

Activities	Inputs		Unit cost (US\$)	Quarter Year	Budget Component	Total Amount	
	Units and quality	No.					
1.1.5. Formulating and producing of training materials	<u>Personnel</u>						
	1. Project Manager	1 mth	2,500	M6, Q2,Y1	11	2,500	
	2. Secretary	1 mth	500			500	
	3. Admin/Finance	1 mth	400			400	
	4. Project Staff	2 x 1 mth	400			800	
	<u>Consumable Items</u>						
	1. Raw material	1 mth	500		54	500	
	2. Office Supply	1 mth	500		51	500	
	3. Telephone/Fax	1 mth	500		52	500	
	4. Photo copying	300 pack	50		55	15,000	
TOTAL 1.1.5.						20,700	

**Output 1.2. Forest Management Units' and Government Officers are Trained on the use of IMPG**

Activities	Inputs		Unit cost (US\$)	Quarter Year	Budget Component	Total Amount	
	Units and quality	No.					
1.2.1. Survey and feasibility assessing of training site in the region	<u>Personnel</u>						
	1. Project Manager	2 mth	2,500	M7-M8, Q3,Y1	11	5,000	
	2. Secretary	2 mth	500			1,000	
	3. Admin/Finance	2 mth	400			800	
	4. Project Staff	2 x 2 mth	400			1,600	
	<u>Duty Travel</u>						
	1. DSA	8 x 2 x 4	50		31	3,200	
	2. Ticket Domestik	8 x 2	350		32	5,600	
	3. Local transport	8	200		33	1,600	
	<u>Consumable Items</u>						
	1. Office supplies	2 mth	250		51	500	
	2. Telephone/Fax	2 mth	500		52	1,000	
	3. Raw material	2 mth	250		54	500	
TOTAL 1.2.1.						20,800	
1.2.2. Recruitment of participant	<u>Personnel</u>						
	1. Project Manager	2 mth	2,500	M8-M10, Q3,Y1	11	5,000	
	2. Secretary	2 mth	500			1,000	
	3. Admin/Finance	2 mth	400			800	
	4. Project Staff	2 x 2 mth	400			1,600	
	<u>Duty Travel</u>						
	1. Local transport	1 mth	200		33	200	
<u>Consumable Items</u>							
1. Office supplies	2 mth	500		51	1,000		
2. Telephone/Fax	2 mth	1,000		52	2,000		
TOTAL 1.2.2.						11,600	

**Output 1.2. Forest Management Units' and Government Officers are Trained on the use of IMPG**

Activities	Inputs		Unit cost (US\$)	Quarter Year	Budget Component	Total Amount	
	Units and quality	No.					
1.2.3. Conducting training activities for about 7 (seven) days in each establishment training site	<u>Personnel</u>			M11, Q4,Y1 – M6,Q2,Y2	11		
	1.	Project Manager	8 mth				2,500
	2.	Secretary	8 mth				500
	3.	Admin/Finance	8 mth				400
	4.	Project Staff	2 x 8 mth				400
	5.	National Instructor	7 x 8 mth	600	13	33,600	
	<u>Duty Travel</u>						
	1.	Domestic ticket	12 x 8	300		32	28,800
	2.	DSA P.Mgr	8 x 8	50		31	3,200
	3.	DSA Instructor	8 x 7 x 7	50		31	19,600
	4.	DSA Staff	8 x 4 x 7	50		31	11,200
	5.	Local transport	8	300		33	2,400
	<u>Consumable Items</u>						
	1.	Office supplies	8	500		51	4,000
	2.	Photocopy	8	500		55	4,000
	3.	Telephone/Fax	8	500		52	4,000
	TOTAL 1.2.3.						144,400

**Output 2.1. The Internal Monitoring Management Performance Guideline (IMPG) is disseminated and implemented.**

Activities	Inputs		Unit cost (US\$)	Quarter Year	Budget Component	Total Amount	
	Units and quality	No.					
2.1.1. Conducting workshop to disseminate the IMPG among related parties	<u>Sub contract</u>		1 pack	10,000	M7, Q2,Y2	22	10,000
	<u>Personnel</u>						
	1.	Project Manager	1 mth	2,500		11	2,500
	2.	Secretary	1 mth	500			500
	3.	Admin/Finance	1 mth	400			400
	4.	Project Staff	2 x 1 mth	400			800
	<u>Duty Travel</u>						
	1.	Local transport	1 mth	200		33	200
	<u>Consumable Items</u>						
	1.	Office supplies	1 mth	500		51	500
2.	Telephone/Fax	1 mth	500		52	500	
TOTAL 2.1.1.						15,400	
2.1.2. Conducting a joint team (APHI-MoF) on the evaluation of the training impacts on the progress of the SFM made by forest concession holders	<u>Personnel</u>				M8-M10, Q3,Y2	11	
	1.	Project Manager	3 mth	2,500			
	2.	Secretary	3 mth	500			
	3.	Admin/Finance	3 mth	400			
	4.	Project Staff	2 x 3 mth	400			
	5.	Expert Panel	5 x 3 mth	1,000	12	15,000	
	<u>Duty Travel</u>						
	1.	Domestic ticket	6 x 5	300		32	9,000
	2.	Local transport	5	100		33	500
	3.	DSA P.Mgr	5 x 8	50		31	2,000
	4.	DSA Expert Panel	5 x 5 x 8	50		31	10,000
	<u>Consumable Items</u>						
	1.	Office supplies	3 mth	500		51	1,500
2.	Telephone/Fax	3 mth	500		52	1,500	
3.	Meeting Pack	5 x 30	20		56	3,000	
TOTAL 2.1.2.						67,600	

**Output 2.2. Government policy on IMPG is formulated.**

Activities	Inputs		Unit cost (US\$)	Quarter Year	Budget Component	Total Amount
	Units and quality	No.				
2.2.1. Analysing the government policies which are suitable with nowadays and future demands	<u>Personnel</u>			M9-M10, Q3,Y2	12	4,000
	1. Expert Panel	1 x2 mth	2,000			
	<u>Duty Travel</u>					
	1. Local transport	2 mth	200			
	<u>Consumable Items</u>					
1. Telephone/Fax	2 mth	250	52	500		
2. Meeting Pack	2 mth	250	55	500		
TOTAL 2.2.1.						5,400

**Output 2.2. Government policy on IMPG is formulated.**

Activities	Inputs		Unit cost (US\$)	Quarter Year	Budget Component	Total Amount				
	Units and quality	No.								
2.2.2. Workshop on formulated government policy	<u>Sub contract</u>		10,000	M11, Q4,Y2	21	10,000				
	<u>Personnel</u>									
	1. Project Manager	1 mth	2,500				11	2,500		
	2. Secretary	1 mth	500						500	
	3. Admin/Finance	1 mth	400							400
	4. Project Staff	2 x 1 mth	400							
	<u>Consumable Items</u>									
	1. Office supplies	1 mth	500				51	500		
2. Telephone/Fax	1 mth	500	52	500						
TOTAL 2.2.2.						15,200				

**Output 3.1. Report**

Activities	Inputs		Unit cost (US\$)	Quarter Year	Budget Component	Total Amount			
	Units and quality	No.							
3.1.1. Progress Report and Completion Report	<u>Personnel</u>			M12, Q4, Y2	11	2,500			
	1. Project Manager	1 mth	2,500						
	2. Secretary	1 mth	500				500		
	3. Admin/Finance	1 mth	400					400	
	4. Project Staff	2 x1 mth	400						800
	<u>Consumable Items</u>								
	1. Office supplies	1 mth	500				51		
	2. Telephone/Fax	1 mth	500				52	500	
	3. Photocopy	200 exp	30				55	6,000	
	4. Distribution	200	100				57	2,000	
TOTAL 3.1.1.						13,200			

**Non-Activity Based Expenses**

Activities	Inputs		Unit cost (US\$)	Quarter Year	Budget Component	Total Amount
	Units and quality	No.				
Auditing	1. Miscellaneous	1	2,000	Q12,8	61	2,000
Computer	1. Capital Equipment	1	2,500	Q1,Y1	41	2,500
Monitoring and evaluation cost	1. Miscellaneous	1	10,000		81,82	10,000
Program Support cost	1. Miscellaneous	1	28,288		83	28,288

**ANNEX F.  
RECOMMENDATIONS OF THE 31<sup>ST</sup> PANEL AND MODIFICATION**

No	Recommendation	Revised	Remark
1.	Clearly define Specific Objective 2; Outputs 2.1 and 2.2. and Activity 2.1.1. with specific attention to rectifying the use of the words "government policy outline", "guidelines", "system" and "disseminating of auditing system through workshop"	<p>Specific Objectives 2; Outputs 2.1; Outputs 2.2. and Activity 2.1.1. have been revised as follow:</p> <p><b><i>Specific Objectives 2:</i></b>  <b><i>To promote the government policy on regulating the application of Internal Monitoring Performance Guidelines (IMPG) as a compulsory task among forest management units</i></b></p> <p><b><i>Output 2.1. The Internal Monitoring Management Performance Guidelines (IMPG) is disseminated and implemented</i></b></p> <p><b><i>Output 2.2. Government policy on IMPG is formulated</i></b></p> <p><b><i>Activity 2.1.1. Conducting workshop to disseminate the IMPG among related parties</i></b></p> <p><b><i>Activity 2.2.2. Workshop on formulated government policy</i></b></p> <p>The detail revised shown in pages 8-9</p>	Pages 8-9
2.	Provide more information on the technical and scientific aspect obtained from the experience and findings of project PD 42/00 Rev. 1 (F) and from other reliable sources	<p><b><i>Sustainable forest management is a long and progressive process to achieve a sustainable use of forest ecosystem functions both tangible and intangible values to human living.</i></b></p> <p><b><i>Sustainability concept of Forest Management is dynamic and it is strongly linked to the growing concern of human, the change of global environment and the balance of supply and demand of forest products in the market. Those global issues on forest management have been brought in to global commitments, among nations to restrict forest management activities. Improvement of forest management performance does not mean of establishing or introducing new management strategic but it is more a systematic and continuous effort to adapt and to adjust current performance into expected future performance. Standard of the future forest management performance is naturally dynamic as it is influenced by the timeline, the growing knowledge and the growing human concern.</i></b></p> <p><b><i>The major issue on the improvement of forest management is how to bring the current forest management performance to expected performance in the future as those are conceptually defined and stated in global commitment articles of sustainable forest management principles.</i></b></p> <p><b><i>To bring such performance to expected future performance, some technical identification to evaluate the lack or the absence of technology, management strategic and policy environment to make sustainable forest management be possible to execute are necessarily accomplished at on-site level.</i></b></p> <p><b><i>The previous project (PD 42/00 Rev. 1 (F)) has successfully identified those substantial puzzles and the project come out with a number of policy recommendation and further proposed projects.</i></b></p> <p><b><i>The absence of integrated historical data records and the absence of sustainable management guidelines, to systematically guide under the principles of continuous improvement, are general phenomena to all FMUs and those were identified in the previous project. The absence of those documents will cause losing of forest management orientation and it will further affect on the disorganized activities to reach the goals of sustainability concept in forest management process.</i></b></p>	Pages 6-7

ANNEX F.  
RECOMMENDATIONS OF THE 31<sup>st</sup> PANEL AND MODIFICATION

No	Recommendation	Revised	Remark
		<p><i>Those documents then named as Internal Monitoring Performance Guideline (IMPG) as recommended in the previous project outputs. This document has a nature of an auditing system for sustainable forest management process.</i></p> <p>IMPG is an internal instrument to evaluate a progressive achievement of forest management towards Sustainable Forest Management. This system is developed on the basis of the ITTO Criteria and Indicators for Natural Tropical Forests published in 1998, taking into account its test results to more than 77 FMUs all over Indonesia. Therefore the IMPG has accommodated the global concern and highly adapted to domestic circumstances. The objective of the IMPG is to technically guide forest management units (FMU) in progressing SFM through: current forest management performance assessment, SFM problem identification and action plan. <b><i>Understanding both in the context of enriching knowledge and experiencing on its implementation of IMPG among forest management units will assure the SFM practices to be executed under a systematic framework.</i></b></p> <p><b><i>The difference between introduced guideline and other similar auditing concept is on its ability to differentiate strategic management approach taking into account given-specific circumstances of each FMU. Forest management typology identification will clarify understanding and knowledge, that specific site will have specific strategic approach to reach SFM.</i></b></p> <p><b><i>Forest management typology is one important point introduced in the guideline. Its firstly recognized and limited as a scientific knowledge. This knowledge is important to understand the given biophysical, social and cultural circumstances within the area of a forest management unit. This concept has been firstly brought into field implementation, by LEI in forest certification scheme.</i></b></p> <p>Identifying forest management typology is the threshold in developing strategic approach to forest management unit which is required to reach sustainable forest management.</p> <p>Forest management typology covers social and biophysical aspects including social, ecological and economical aspects. <b><i>A practical guideline to identify forest management unit's typology is incorporated in the IMPG document.</i></b></p> <p><b><i>To reach successfully apply the IMPG to all FMUs in Indonesia, involvement of high quality resource persons on the field of forest certification, social science, forestry economy and forest management are important. (shown in pages 6-7)</i></b></p>	
3	Include financial contribution of the APHI to the project	<p>The budget have been revised as follow:  <b><i>BPK Contribution : US \$ 15,800</i></b>  <b><i>APHI Contribution : US \$ 211,050.</i></b>            The revised budget shown in pages 16-20</p>	Pages 16-20

