



INTERNATIONAL TROPICAL TIMBER ORGANIZATION

COMPLETION REPORT

ITTO PROJECT PD 521/08 REV. 3 (I)

PARTICIPATORY FOREST MANAGEMENT FOR SUSTAINABLE
UTILIZATION OF NON TIMBER FOREST PRODUCTS (NTFP)
SURROUNDING THE PROTECTED AREA OF RINJANI AND MUTIS
TIMAU MT, NUSA TENGGARA, INDONESIA



MINISTRY OF FORESTRY
WORLD WILD FUND – INDONESIA
FORESTRY SERVICE OF NTB PROVINCE



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EXECUTIVE SUMMARY

INTRODUCTION

The main objective of the project is to improve the livelihood of the community at the surrounding Protected Forest Area of Rinjani Mountain and Mutis Timau through the utilization of Non Timber Forest Products (NTFPs). This objective was developed based on various discussions conducted prior to the project implementation stage in Rinjani and Mutis Timau protected forest areas of West and East Nusa Tenggara provinces.

OBJECTIVES AND STRATEGIES

The development objectives of the project are to promote sustainable utilization of NTFPs in Nusa Tenggara Indonesia. The specific objective of the project is to improve the participation of local communities in promoting sustainable utilization of NTFPs and for conservation benefit of the Rinjani and Mutis Timau Mountain protected area. The project applies two strategies to achieve the project objective (1) empowering local communities to participate in NTFP utilization through improving their capacities in the context of sustainable utilization of NTFPs and for the sake of public welfare. (2) Improving capacities of local institutions in implementing participatory forest management for utilization of NTFPs.

THE DIFFERENCE BETWEEN THE PLANNED AND IMPLEMENTATION

There is no substantial differences between planned and implemented activities of the project, however there are few changes and modification made to the project (1) the planned target area that was originally 9 villages had been changed to 11 villages¹ in both Rinjani and Mutis Timau protected area, (2) Time allocation and planned for few activities could not follow the plan due to some barrier, especially the socio political events at the project areas. (3) The extension activities promoted through the project have taken various forms and not only limited to the specific activities as stated in the project plan “conduct 2 extension activities at the project pilot sites”. The extension activities were carried out also at the same time when the community trainings were taking place, and when the project team met the key stakeholders through Working Group meeting and discussions

THE DIFFERENCES BETWEEN PRE-PROJECT AND POST-PROJECT SITUATIONS

The main differences between pre-project and post-project situations are (1) the capacities of the local communities in organizational management and utilization of NTFP have been improved, (2) the availability of NTFP Management Plan where specific management plan for NTFPs have been adopted by the Central and North Lombok districts, (3) agreed 6 models to develop small scale business enterprises for community and local economic development through the utilization of NTFPs, (4) the strong local government initiatives (SK. Bupati) to support broad and effective management of NTFPs with local and specific regulations such as the establishment of NTFP Working Groups at Central Lombok and

¹One village, Tangga village in Santong, was progressing for getting permit (IUPHKm) when the project identification was taking place. Later on, this village was included in the project based on its natures (at the same forest area with the other 3 villages).

North Lombok districts, (5) the local community organizations (groups, forum and network) have produced their business plans as a guidance in the optimal utilization of the NTFPs, and (6) the establishment of Working Groups (POKJA) at the district level.

PROJECT SUSTAINABILITY

The sustainability of the project is more likely to take place due to the following conditions, (1) the management plan has been adopted by the local government, (2) the local governments have established Working Groups, (3) the local governments have produced local supporting regulations, and (4) the establishment of local community organizations/forum/network and the exits of business plan of the local organizations developed through local community participation.

LESSONS LEARNED FROM THE PROJECT

There were some lessons learned from the project life cycle (1) the local communities and the local governments have been aware of the critical roles of NTFPs for improving the local community livelihood, however NTFPs and their management getting more attentions due to the project activities – as it is indicated by the released of some Bupati decrees, (2) Participation is critical to the project performance, but there is a need to develop clear vision among and incentive from the stakeholders, (3) Technical supports such as the utilizations of NTFP sustainably, (4) Effective utilization of NTFP requires multi stakeholders involvement such as department of trade and industry, banks, cooperatives, extension organizations, private sectors, research and development agencies, and more importantly the local community, (5) The local communities/members recognize the value of their forest better when they have NTFP related enterprises that work. The community base enterprises work well if there is a strong sense of improvement of ownership and there is incentive for participation in forest protection and management, (6) System approach is needed in dealing with NTFPs, that the focus of the project should not be only in production component, but also in input and output sub-systems or components.

RECOMMENDATIONS

On the basis of these lessons learned, the following recommendations are made (1) there is a further needs to support the local community organizations to develop their small scale economic activities in managing NTFPs, (2) the local governments in Rinjani and Mutis Timau protected areas should be supported to further develop NTFP management, (3) there is a need to further identification of more potential NTFPs at the same areas and other areas and further development of small scale economic development of NTFPs, (4) replications of the existing success story to other forest protected areas are needed (5) there is a need to promote the second phase of the project to support the implementation of the NTFP Management Plan and business plan (6) The project could promote more collaboration with private sector and banks to support processing industries and strong marketing positions of the local community organizations (7) more value chain analysis is needed to help local government identify the strategic interventions to support more profitable management of NTFPs for local community livelihood improvement.

1. PROJECT IDENTIFICATION

1.1. Context

Project Location

Rinjani and Mutis Timau mountains are the target locations of this project which are belong to West and East Nusa Tenggara provinces, the provinces that are classified as the poorest and least developed regions in Indonesia but its forests are important at the local, regional, and international levels. The Rinjani and Mutis Timau mountains are classified legally as protected areas being the critical watershed for the islands in Nusa Tenggara. It also plays a strong role in the economy of the villages located in and around the protected areas mainly from utilization of non-timber forest products. However, forestlands continue to be deforested and degraded. If there are no serious planned actions to stop this degradation, a negative impact can be the result in Nusa Tenggara region. Therefore some action has to be done to sustain utilization of forest resources to enhanced livelihood of the community and to conserve the protected area.

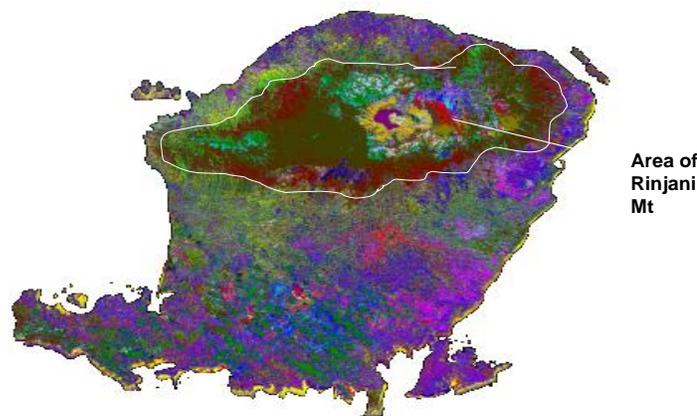
- (1) **Rinjani mountain:** There are three main locations of the project at the Rinjani mountains that are as follows:
 - a. Four villages in the northeastern part that directly adjacent to the Production Forest – *Santong, Salut, Mumbulsari and Tangga* villages, Kayangan sub district, District of Lombok Utara.
 - b. Four villages in the central part, *Setiling, Lantan, Aik Berik, and Karang Sideman* villages, sub district of Batu Kliang, Central Lombok district. These areas already had a cooperative institution and has acquired NTFP utilization permit.
 - c. One village in the western part that is directly adjacent to the Protection Forest – *Sedau* village, Narmada sub district – West Lombok district.
- (2) **Mutis Timau Mountain:** Two villages were selected for the location of the project, namely *Fatumnasi and Nenas* villages (belong to the sub district of Moloutara, Timor Tengah Selatan District) which are directly adjacent to the Nature Reserve and Protection Forest of Mutis Mountain.

Therefore, there are 11 villages for the location of the project which is different from the project plan

Rinjani Mountain Area - Lombok West Nusa Tenggara

Lombok is the island east of Bali and is western part of the Nusa Tenggara region. The region is heavily deforested and the remaining forest heavily fragmented. The majority of societies in Nusa Tenggara are doing agricultural, while some are doing maritime activities (mainly settlers from other islands). Traditional land use systems, which are still widely used throughout the region, contribute to environmental degradation. Shifting cultivation (slash and burn), savanna burning, encroachment in forest areas and free cattle rearing are considered the biggest threats to the environment caused by rural communities.

Rinjani Mt. Area, Lombok Island



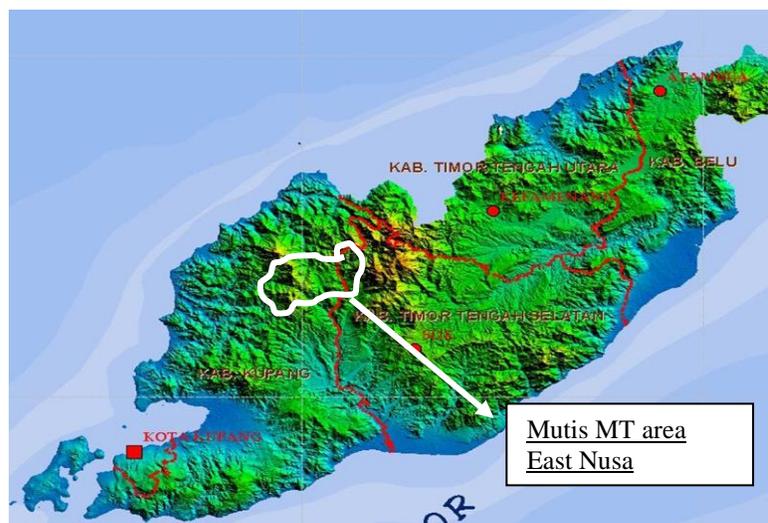
As a small island, Lombok has crucial problem with water supply since it gets its water only from the Rinjani watershed. Apparently, water supply has decreased about 40% over the last 15 years because of forest degradation in Rinjani Mountain, which is approximately 125,000 hectares in total area.

The landscape of Lombok is dominated by Mount Rinjani which covers approximately one-third of the island's total land area and is the main water catchment area of four major watersheds, namely the Dodokan, Menanga, Putih, and Jelateng watersheds. Within this area also lies a famous lake, the *Segara Anak*, with a depth of 250-300 m. is a massive water reservoir for the island. This area supplies the fresh water for Lombok's 2.4 million inhabitants. Ecologically, vegetation composition in Rinjani mountain and forest around it, has important meaning in keeping water system in Lombok, it is supported by wide area of Rinjani mountain as one of many places in West Nusa Tenggara which support wetland with its function as water absorption for its adjacent areas, There are more than 85 water sources from Rinjani mountain with management of River Stream Area (RSA). There are 10 locations of RSA and 5 sub locations of RSA. Rinjani Mountain is the only water sources for rivers in Lombok's island that dispose into three water absorption, north, west and east. There are about 600,000 inhabitants who are dependent upon fresh water from this area.

There are more than 80 villages in the area, 42 of which are directly bordering to the forest area. The total population of Rinjani is approximately half a million people. The forest areas surrounding Rinjani mountain provide the basis for the economy in the communities within and adjacent to the boundaries of the protected area (LP3ES 1993). Local farmers continue to clear forest patches for their mixed agroforestry gardens (the main crops include coffee, candlenut, vanilla, and a variety of fruit trees) and harvest the forest for fuel wood, timber, and fodder.

Mutis Timau Mountain Area

The island of Timor covers an area of 28,000 square kilometers and is the largest of the many islands located in the Eastern Indonesian archipelago of Nusa Tenggara.



Cultural traditions are diverse and strong among the population of Nusa Tenggara, the majority of livelihood sources in agriculture and raising livestock. Infrastructure such as roads and electricity are available to only a small portion of the population and their access to health care, education, and other services are very limited. Although scarce and fragmented, Nusa Tenggara's forests are important at the local, regional, and international levels. At a local level, communities use forest areas as grazing lands for livestock as well as a source of income supplements, building materials, and fuel wood. Given Nusa Tenggara's arid climate, forested areas play a critical regional role as water catchment areas, especially given their location in the steep, mountainous interior.

The value of the Mt. Mutis Nature Reserve can be seen at three levels: international, regional, and local. At the local level, Mutis' forest has long been used and managed by adjacent communities as a grazing area for livestock as well as a source of household water, building materials, and fuel wood. Both non-timber and timber forest products, such as honey and sandalwood, respectively, play a role in supplementing household income. At the regional level, the Mutis forest complex provides a critical water-catchment area for the island of Timor. At the international level, the ecology of Mutis is unique to Indonesia: the seasonal mountain forest is composed of nearly homogenous stands of *ampupu* (*Eucalyptusurophylla*), constituting an ecosystem found nowhere else in the country. Furthermore, the forest lies within the transitional zone between the Australian and Asian faunal realms and boasts fauna representative of each continental mass.

Fourteen villages border directly on Mutis, According to recent census data collected by WWF, the population in these villages is 25,198 residents. The majority of the residents are indigenous to the region and from the Mollo and Miomafo peoples. In addition to the indigenous inhabitants, relative newcomers to these villages include immigrants from

within Timor (Amanatun, Amanuban, etc.) and from outside the island (Bugis, Sabu, Rote, and Flores).

According to a national decree issued in 1983, approximately 12,000 hectares of Protection Forest in the Mt. Mutis-Miomaffo complex was designated as the Mt. Mutis Strict Nature Reserve (*Cagar Alam G. Mutis*). The western edge of the reserve is adjacent to the much larger Mutis-Timau Protection Forest (100,000 ha). The area contained within Mutis falls within the two districts of North Central Timor (TTU) and South Central Timor (TTS), in Timor which is part of the Eastern Indonesian province of East Nusa Tenggara.

In all sites of Nusa Tenggara, local people ability to improve their livelihoods was significantly limited by their lack of access to land and forest resources. Local people considered themselves to be poor because they did not own land and did not have rights to access forest resources. Very poor people were forced to work for others as farm laborers and to rent land. Government schemes have prevented them from expanding their asset base and from deriving benefits from forest resources. These people have been able to expand their asset base to some degree through community forestry projects, however land remains limited and their returns from these schemes are very limited as a result.

In the villages around Rinjani and Mutis, poverty was found to be more extreme because local infrastructure was poor and people did not have access to markets. These people were unable to sell any product in the markets and unable to gain sufficient access to education and health services. At provincial level, local government has committed that forestry development in Nusa Tenggara region will be prioritized to promote NTFPs such as honey, sandalwood, Gaharu, Resin, Rattan, Bamboo, tamarind, candlenut, coffee, cacao, seeds and many others like wood bark, leaves, fruits, which area naturally available around Rinjani and Mutis Timau Mountain to develop the economy of the communities which are directly dependent on forest resources. Among others the following activities will be developed based on the outcome of the Workshop of forestry planning in West Nusa Tenggara 2007; training facilitation, technical asisstant, open market access, creation of small-scale enterprises.

Conservation and Forest Management in Nusa Tenggara

Conservation in Nusa Tenggara has only recently received attention from the central government and from local and international conservation agencies. In the early 1980s surveys by the Food and Agriculture Organization of the United Nations, collaboration with the Department of Forestry's Directorate General of Forest Protection and Nature Conservation identified priority areas for conservation (MacKinnon et al. 1982). More recently, international conservation agencies, such as the WWF has become actively involved in the region, sponsoring field programs at selected sites, as well as biodiversity research, conservation education, and the development of regional biodiversity conservation plans (WWF 1993).

Recognizing the need for a broad based, participatory approach to the forest development in the region, the Nusa Tenggara Community Development Consortium (NTCDC) was created in 1990 as a non-binding, collaborative network to convene stakeholders around their similar interests and experience with development issues in the uplands area. Representative of four sectors (NGO, government, universities, and communities), the

network currently encompasses over 100 partners operating in seven program fields and working groups: conservation of natural resources, agroforestry, land affairs, gender, marketing, extension media, and participatory methods. The Conservation Working Group of the NTCDC has promoted methods of participatory research and problem solving as a means of addressing complex multi-stakeholder problems encountered in the regions' forest management.

Conventional government planning processes in Nusa Tenggara have been ineffective in engaging local communities in the planning of forest and conservation management programs. A major outcome of the site-based research in Nusa Tenggara has been a common understanding that this limited local involvement is often the source of many program failures.

Economic Aspect

The project has additional multiplier benefits associated with increased utilization of forest resource and improved local capacities which improve the livelihood of local communities for a better future.

The role of local communities in project implementation shows that project will offer short and long-term benefits for employment and income generation, which may act as a driving force for the development of both local and regional economies during and after completion of the project. With increased forest resource production (NTFP) and improved product quality are expected to generate local income and jobs that in turn will improve the standard of living of local people.

Improving capacity in technical and managerial skills for local communities will explore and develop local potential alternatives as source of income and it will directly benefit the local communities' economy. In addition introducing appropriate technologies/techniques will improve the small scale enterprises programs for income generation of local communities residing around protected area. Local communities will be able to produce value-added non timber forest products, reap the benefits of sale, get higher prices and generate jobs. A model small scale enterprise can be used as pilot project for other districts in Nusa Tenggara region in implementing participatory forest management for sustainable forest resource mainly NTFPs and for conservation of protected area.

By involving local communities to implement participatory forest management, the project will give direct improvement to them in terms of economy and opening market access for non-timber forest products from Nusa Tenggara with potential buyers all around Indonesia and outside Indonesia. Non timber forest product from Nusa Tenggara region will be sustainably managed due to the formulation of appropriate policy, economical and planning framework and supported by the establishment of reliable data and information about the resource. The data and elements used to analyze the current situation have shown the importance of the objectives of the project in the field which are aimed at more equitable distribution of economic benefit to local communities.

That analysis shows that the project will offer short and long-term benefits for income generation, which may act as a driving force for the development of both local and regional economies during and after completion of the project.

Environmental Aspect

This project will provide positive benefit to the local, regional and global level environmentally. This will reduce forest degradation, increase biodiversity conservation and promote a long-term market flow of non-timber forest products.

Social aspect

The role of local communities in project implementation will contribute positively to the social aspects. The core activities are directed to empower local communities on forest utilization activities in such a way that the activities of the project could improve the social welfare for the local people in the project area and its surroundings.

On the other hand, the most important thing caused by the successful implementation of the project is that it will generate awareness of local people to participate in protecting forest area. The representatives of communities will attend the consultation with other key stakeholders and will express their interests and willingness to actively participate in the initiative to manage and utilize forest resource in sustainable manner. The resulting social stability will create jobs and activities for local communities in improving their network for business opportunities to open access to market of non-timber forest product from Nusa Tenggara region.

Risk

The potential risk associated with the project and likely will affect its implementation are: (1) ***Political and policy change in the institutional system:*** In this era of reformation, the political situation in Indonesia becomes more and more stable especially in Java and Nusa Tenggara. The Indonesian government has made a commitment to manage forest resources, including NTFPs in a sustainable manner. However, a political group could disturb the decision making process in West Nusa Tenggara. There is also a low commitment from Local Legislatives (DPRD) to manage forest resources in a sustainable manner. In addition, the process of decision making is not accepted by all stakeholders.

(2) ***Lack of support and commitment of stakeholders to the implementation of the project:***

To minimize that risk, this planning process will be discussed and consulted with local government at the district, sub district, Community Development Consortium and village levels through regular coordination meeting and dialogue in order to get better common understanding about constrains and opportunities to conserve and manage the protected area in the field. The anticipated project success - as far as its development objective is concerned - will depend on continued political support of the Indonesian Government, NGO, local community leaders and other relevant stakeholders. This risk could be prevented if the community is well informed about participatory forest management in protected area, and if the community's economic activity is definitely implemented.

(3) ***Another risk associated with conflict of interest between the local government and local communities involve in illegal activities disturbing protected areas:*** Some of reasons for basic conflict between conservation and development that the need of land for agricultural activities, infrastructural developments, population growth, tourist industry, all of which affecting the protected area and therefore these conflicting interests are to be negotiated. Past experiences showed that intensive approach had been successful in

mitigating that risk through (a) Approach and communication with relevant parties to improve awareness of biodiversity habitat conservation, (b) Enforcement of regulation within the protected area and buffer zones, (c) Establish tailor made empowerment program which involve/consult related communities in the planning process, and (d) Strengthening enforcement of protected area boundaries.

Ecological condition

It takes the form of a healthy natural environment. Disturbances could be in the form of pest, diseases and damages caused by forest and land fire. In order to minimize the risks, control would have to be improved. Prevention of pest and diseases will be done properly, forest fires impact will be reduced by establishing firebreaks in the right position. In addition, the project will provide consultancy to the local community regarding these matters.

Sectoral Policies

The legal basis of protection area for soil and water protection is stipulated in the Presidential Decree No. 32/90, which stated that areas along riverside, waterside, ravines, water courses and around dam/lake should be avoided from tree cutting.

Ministerial Decree P.19/Menhut-II/2004 stipulates Collaborative Management of Nature Reserves and Nature Conservation Areas. It is expected to boost the establishment and operation of collaborative management of protected area such as in Rinjani and Mutis Mountain. Minister of Forestry has released Ministerial decree SK No 6886 Year 2002 regarding procedure and management of non-timber forest products.

Another important legal basis for people participation is accommodated in the Minister of Forestry Decree No. 31/Kpts-II/2001 concerning community based forest management which is basically intended to promote active role of local communities in forest management.

The Indonesian government has recently issued reform policy framework in supporting sustainable forest resource utilization through government regulation No 6 year 2007 Jo Government regulation No 3 year 2008 which stated that the objective of forest utilization is to gain benefits from forest products and services in an optimal, fair and sustainable manner for communities' welfare. Forest utilization can be conducted, among others through development of non-timber forest products. Ministry of Forestry programs have attempted to reconcile growing conflicts over forest utilization through integrated conservation and development programs. The Ministry of Forestry also has announced a period of 10 to 20 years for forest rehabilitation and conservation. The aims are to obtain conservation benefits, improve the economy of forest dependent community and to attain sustainable forest management. Therefore the proposed project is prioritized by the Ministry of Forestry (MOF) because it is in line with the Indonesian forestry policy.

At provincial level, local government has committed that forestry development in Nusa Tenggara region will be prioritized to promote mainly through NTFPs economic development of communities which are directly dependent on forest resources. The pattern which will be developed among others through training facilitation, technical assistance, open market access, creation of small-scale enterprises as suggested by the Workshop of forestry planning in west Nusa Tenggara in 2007.

In the meantime there are some local government regulations which support sustainable forest utilization, for example:

- (1) Regional Government Regulation or “**PERDA**” No. 6 year 2006 regarding implementation of community forest in West Nusa Tenggara province; and
- (2) Regional Government Regulation No. 5 year 2007 regarding Forest protection, Flora and Fauna in West Nusa Tenggara Province.

In addition, three districts in Lombok Island have issued local government regulations on community based forest management which is basically intended to promote the active role of local communities in forest management at district level. However those local government regulations have not been fully accommodated yet to the current conditions in that province. Regulations have not properly accommodated the fair sharing benefits with communities in terms of equitable cost and benefit sharing in forest utilization mainly for non-timber forest products for community who participate in the conservation of the protected area.

Those efforts show that the commitment of center and local government including financing are very strong to ensure the continuation and long term success of sustainable forest utilization in protected areas to prevent negative impact in terms of flood disaster, soil erosion and irregular water supply in Nusa Tenggara region.

1.2. Origin and Problems

Origin

The Nusa Tenggara region of southeastern Indonesia comprises of two provinces, West and East Nusa Tenggara (*Nusa Tenggara Barat-NTB and Nusa Tenggara Timur-NTT*). The region is one of the poorest in Indonesia, but its forests play a vital role in water catchments and in the economic development of local communities.

The Rinjani and Mutis Mountains are classified legally as important protected areas in Nusa Tenggara region because of their function as watershed that supplies water to the southern part of Lombok and Timor Island. However, water supply has decreased about 40% over the last 15 years because of deforestation in Rinjani and Mutis Timau. The forests have been under significant pressure over the last decade. As described in the Provincial Planning Board of West Nusa Tenggara report in 2002, approximately of 30% of the Rinjani area has been deforested in the previous decade. The removal of the forest cover has impacted on the vital water supplies from Rinjani leading to flooding, soil erosion, and irregular water supplies.

One of the reasons of deforestation on the Rinjani and Mutis Timau protected area is forest encroachment by the local communities because they do not obtain tangible benefits from the designated protected area. Actually, the local community could obtain permit for collecting non-timber forest products from the protected area as a source of income supplement but only a few local community groups have the required permits for utilizing non-timber forest products.

According to WWF research there are about 36 commodities of Non Timber Forest Products which can be collected from protection forest and have the potential to be used

sustainably such as honey, sandalwood, gaharu, resin, rattan, bamboo, tamarind, candlenut, coffee, cacao. The list also includes seeds and many wood barks, leaves and fruits which are naturally available around Rinjani and Mutis Timau mountains. This huge potential cannot yet be tapped for reasons mentioned above.

Lack of capacity and skills has been a real barrier to their participation in the activities taking place around them. For that reason, rural communities have been excluded from decision-making and have been denied access to important forest resources. It is difficult for the local community to participate in utilizing NTFPs with the existing limited capacity. In order to achieve optimum results of the community empowerment program, the initial step will be to improve community's capacity. At the same time, local government's capacity should also be improved so that they can formulate more effective policy frameworks to support sustainable utilization of NTFPs through involvement of local stakeholders and communities.

This project is to improve participation among relevant stakeholders, in particular local communities, for sustainable utilization of NTFPs and for conservation benefits of the Rinjani and Mutis Timau Mountains Protected Area (PA). The capacity for local communities as a key stakeholder will be improved through the provision of skills and training in entrepreneurship. Additionally, the project will *establish viable models of small-scale enterprises* for income generation to benefit the local communities who live at the sub-district or *Kecamatan* level and preferably also at the village level through cooperative efforts. To ensure that economic incentives for the local community are accommodated in an effective policy framework and that the decision-making process is improved, the capacity of local government officers must also necessarily be enhanced. This will be done through training in management and planning of the protected areas. Consultation with relevant stakeholders is also required as part of the decision-making process.

Problems

Nusa Tenggara is one of the poorest and least developed regions in Indonesia. Cultural traditions are diverse and strong among these people, the majority of whom seek a livelihood in agriculture and in raising livestock. Infrastructure such as roads and electricity are available to only a small portion of the population and their access to health care, education, and other services is very limited. The Rinjani and Mutis Timau mountains are protected areas and are the critical watershed for the islands of Nusa Tenggara. They also play a strong role in the economy of villages located in and around the protected areas.

However, the pressure on forests is high, as the demand for wood far exceeds supply. Also the demand for NTFPs as a source of income supplements is steadily increasing. Due to their (local communities) limited knowledge and skills, their efforts in income supplementation is achieved by encroaching on the forest land and by illegal cutting of trees. This leads to degradation and to formation of critical land area. The situation has been worsened by a lack of attention to the social and cultural aspects of these communities living near the forest who are not empowered to utilize the forest resources (NTFP) and to participate in the decision-making process. For the sake of environmental balance and provision of adequate income for the population living near the forest, the development of activities and programs in sustainable NTFPs utilization based on communities is regarded

as a viable solution. It is also recognized that community participation for the sustainable utilization of NTFPs is essential.

In August 2008, to elaborate a clear and comprehensive analysis based on the key problem, a series of discussions and brainstorming events was organized through a communication and consultation process involving stakeholders in West Nusa Tenggara province. The participants included the forestry service of West Nusa Tenggara Province, WWF-Indonesia and Mataram University. In addition, three meetings were held with the ITTO-MoF clearing house (May-August 2008) in Jakarta. An analysis was carried out by means of the above process and stakeholders actively participated in the problem-solving through their interventions. This is an important step in the development of the project and guarantees that the designed project will be accepted and supported by all parties concerned in sustainable forest utilization.

The key problem was initially defined and has been already highlighted in Part I as: Limited participation of local communities in sustainable utilization of NTFP for conservation benefits of Mt Rinjani and Mutis Timau Protected Area (PA). As a result, Economic, Social and Ecological (ESE) benefits from the protected areas cannot be realized. As a consequence there is a failure in the implementation of forest utilization practices (see problem tree).

Based on the consultation process to determine the opinions and obtain input from representatives of the various stakeholders during the development of this project proposal, it is concluded that there are two main causes of the key problems :

- (1) Low capacities of local communities in implementing sustainable use of NTFPs for conservation benefit of Protected Areas; and
- (2) Weak local institution capacity in formulating policy on sustainable utilization of NTFPs

In the spirit of decentralization, some of the authorities of forest protection management transferred from the provincial government to the district government. In order to support the successful project implementation, the role or involvement of the District Government in the project implementation would be promoted such as:

- Supporting the process of project preparation particularly in the development activities of the communities
- Supporting the process of obtaining permits for the cooperatives in the target area
- Supporting and coordinating the formulation, adoption and implementation of the management plan which should be in line with the local and national policies
- Facilitating internalized and coordination processes with other sectors at district level

The districts which have started processing or adopting the policy related to utilizing non timber forest products from the protected area will be targeted by the project for pilot activities, in province West Nusa Tenggara which are: West Lombok, Central Lombok and North Lombok districts, and Central South Timor district in East Nusa Tenggara province.

2. PROJECT OBJECTIVES AND IMPLEMENTATION STRATEGY

2.1 Project Rationale and Objectives

2.1.1 Project Rationale

The rationale of the project was sound and adequate through the implementation of various studied related the problems in improving local communities in promoting sustainable utilization of NTFPs in Rinjani and Mutis Timau Mountain, conducting training on sustainable utilization of NTFPs, developing a model for small-scale forest economy dealing with NTFPs, developing participatory management plans, conducting series of intensive consultation with local stakeholders, develop economic incentives options for local communities to participate in conservation of Protected Areas. The use of funds and evaluation of project activities were periodically conducted for effectiveness and efficiency of project operation and completion.

2.1.2 Objectives

The development objective of this project is to promote sustainable utilization of Non Timber Forest Products (NTFPs) in Rinjani and Mutis Timau forest protected area, Nusa Tenggara Indonesia. The specific objective of this project is *to improve participation of local communities in promoting sustainable utilization of NTFPs for the conservation benefit of Rinjani and Mutis Timau Protected Area (PA).*

2.2. Implementation Strategy

The proposed project approach strategy is through empowering local stakeholders to participate in utilizing forest resources through *improving capacities both for local communities and local institutions*. Improving the capacities and skills of key local stakeholders will decrease a barrier to their participation in the activities of utilizing NTFPs for conservation benefits of protected areas. The project applied 2 (two) strategies to achieve the project objective:

(1) Empowering local communities to participate in NTFP utilization

It is important to empower communities who are living inside and around forest areas through improving their capacities in the context of sustainable utilization of NTFPs and for the sake of public welfare. Then rural communities could be included in the decision making processes and having access to the important forest resources.

Communities will be provided *training on technical and managerial skills* (including entrepreneurship), *extension and also developing viable model of small-scale enterprise* dealing with NTFPs for income generation of local communities. *Another approach is by providing information on marketable and extractable NTFPs, and introducing technologies* for efficient utilization of selected products. Efforts will be made to make information public through *local information media*.

(2) Improving capacities of local institutions in implementing participatory forest management for utilization of NTFPs

Public institutions must also have adequate capacity to implement regulatory schemes effectively and to formulate *operational plan* for management of PA.

In supporting the development of a *management plan*, data and information on forest resources including NTFPs and their environment (biophysics and socio economic database) will be developed and operated. It will include reviewing existing policies and regulations on forest utilization including property right, resource maintenance, harvesting, marketing etc. In addition, intensive communication will be established with provincial and district leaders, community leaders, NGOs, private sector and local parliament representatives, national experts and other relevant stakeholders to support the decision making process at district level. Their participation is critical in formulating economic instruments/incentives to mobilize the financial resources and suitable economic incentives that support and promote the equitable cost and benefit sharing in forest utilization among stakeholders in Rinjani and Mutis Timau protected area. Establishing forest network among key stakeholders (government, local communities, local NGOs, education institutions and other related parties) will be done to facilitate in the decision making processes of the utilization of forest resources.

Several steps can be taken to motivate communities in the vicinity of the forests of Mt Rinjani and Mt Mutis in order for them *to establish cooperatives* in line with the existing regulation, such as:

- (1) *Series of extensions* will be held to disseminate information for local communities in target villages regarding *benefits of establishing cooperatives* (work together with WWF).
- (2) At present, villages in the vicinity of Mt Rinjani and Mt Mutis *have forums* on coordinating the implementation of community forests, some of which could be *persuaded or promoted to become the origin of cooperatives*.
- (3) Socialization of rules, national as well regional, related to obtaining most of permits such as:
 - a. Minister of Forestry Regulation No.P.36/Menhut-II/2008 about Permit on Utilization of Non-Timber Forest Products in the Natural Forest (*Usaha Pemanfaatan Hasil Hutan Bukan Kayu dalam Hutan Alam or IUPHHBK*) or within Plantation Forest (*IUPHHBK-HT*) of Production Forest.
 - b. Provincial Regulation (*PERDA*) No 6 year 2004 on Guidelines on Implementing Community Forest in the province of Nusa Tenggara Barat.
 - c. Provincial Regulation (*PERDA*) No 10 year 2003 on Guidelines on Implementing Community Forest in West Lombok and other related *PERDAs* on communities in the vicinity of forests. The above said regulations provide mandates on the need to *establish cooperatives as an organization* vehicle to which a utilization permit of non-timber forest product could be granted.
- (4) To involve communities near forests in the process of policy formulation and regional regulations related to other non-timber forest product utilization.

- (5) To promote the success of village communities in the vicinity of Mt Rinjani and Mt Mutis who are able to develop cooperatives that receive permits on management and utilization of NTFPs through the institution, to other villages directly adjacent to the forest to motivate them to create forest cooperatives institution.

2.3. Identified Assumption and Risks

The assumptions made and risks involved in the project document were really in line with real world situation of project implementation. Key stakeholders are participating in Working Group and Central Bank agreed allocated budget, and strong commitments from local governments and the community groups in order to develop and integrate their NTFP's management plan into district plan.

Government policy support to sustainable participatory forest management in protected area, were indicated by NTFP development is part of the District Five-Year plan; Bupati was agreed adopted as policy option to strengthen the implementation of the models and also budget allocation from Government.

3. PROJECT PERFORMANCE (PROJECT ELEMENTS PLANNED AND IMPLEMENTED)

3.1. Specific objective

The project apply two strategies to achieve the project objective (1) Capacities of local communities surrounding protected area in obtaining permits for utilizing of NTFP's increased; (2). Management plan for more economically viable of the NTFPs elaborated.

There are three main activities to produce output 1, namely (1) *Conducting training on participatory forest management* for sustainable forest utilization of NTFPs in protected area for the target groups in target villages near Rinjani and Mutis Timau Mountain, (2) *Developing Model for small-scale forest economy* for income generation of local communities in the pilot villages, and (3) *Conducting series of extensions* for improving awareness of ESE benefits of Protected area for the communities in the 9 (nine) pilot villages. Details of these activities are presented in the following sections.

Three major activities were carried out to achieve output 2 that are (1) *Developing management plan* for sustainable utilization of NTFPs using updated and reliable information through participatory process (drafting management plan, workshops, adoption of the plan), (2) *Conducting intensive consultations* with local stakeholders (in terms of information on benefit of sustainable utilization of NTFPs; expectations from forest management) *in the utilization NTFPs policy decision making process*, and (3) Developing economic incentives options for local communities to participate in conservation of Protected Area (PA) and sustainable utilization of NTFPs. The details of these activities are presented in the following sections.

3.2. Output and related activities

3.2.1. Project Activities for Output 1

There are three main activities to produce output 1, namely (1) *Conducting training on participatory forest management* for sustainable forest utilization of NTFPs in protected area for the target groups in target villages near Rinjani and Mutis Timau Mountain, (2) *Developing Model for small-scale forest economy* for income generation of local communities in the pilot villages, and (3) *Conducting series of extensions* for improving awareness of ESE benefits of Protected area for the communities in the 9 (nine) pilot villages. Details of these activities are presented in the following sections.

Activity 1.1: Training on Participatory Forest Management

Limited capacity of local community and local community organizations or groups in forest management and utilization of non-timber forest products (NTFPs) has been a critical problem in Rinjani Protected Forest and Mutis Timau conservation. There were two sequential activities carried out to help the local community and local community organization to improve their capacities, *first* in-depth studies on the existing capacity of local communities and their organizations/groups (Training Need Assessment) that led to

training module development, and *second* conducted of training for field agents and local community leaders.

Training Need Assessment and Module Development

Modified Participatory Action Research (MPAR) method was applied to this study (Muktasam, 2001). It is called as modified as the study did not fully encouraged community participation in the whole process of research and action. The method combined quantitative and qualitative research methods and data collection techniques such as review of secondary data, Focus Group Discussions, in-depth interviews, and workshops. Secondary and primary data collection was carried out during the study (21 December 2011 to 15th March 2012).

Research activities had led to the identification of issues on community groups, the needs for capacity building, and the subject matters for capacity building activities (modules). Action part of this “action-research” was done after the completion of research activities, and this include a series of training at the district down to the village and community levels.

Several qualitative data collection processes applied to this action-research are:

- (1) **Data collection through Focus Group Discussions, in-depth interviews, and workshops:** To understand the existing condition of forest community groups a series of focus group discussions was carried out at those targeted villages such as *Sedau, Setiling* and *Santong (for Rinjani protected forest)*. Participants of the discussions were from community group representatives, village formal and informal leaders. Each focus group discussion lasted from one to two hours discussing several key questions such as: Are there any community groups in this village or area, including those involved in forest management? Are there any structure? What is the group size? What are the activities of the groups? Any rules applied? What are the main NTFPs in this area? What are the activities done by the local community to produce, process and market these main NTFPs? Any groups’ plan? What are the problems of the groups and NTFPs management?
- (2) **Draft development:** On the basis of the data collected from these focus group discussions, a tentative draft of capacity building modules was developed which indicates the contents and the structure of the modules. The draft consist of three main subjects, namely, introduction to capacity building activities, group management skills, and facilitating partnership for sustainable utilization of NTFPs.
- (3) **Discussion of module draft and revision through workshops, from district level to the national level (Department of Forestry):** To get more inputs from key stakeholders, then a series of workshops were conducted at the district to the provincial level (Central Lombok, So’e, Mataram, and Jakarta). The results of these workshops helped to improve the module draft, substance and structure. Rewriting and revision of the draft were carried out as a follow up activities after the workshops.
- (4) **Finalization of the module:** The final modules then developed based on the results of the workshops, carried out from the districts (Central Lombok, So’e, and Mataram) to the national levels (at the Department of Forestry – Jakarta).

It is important to note that the *modules have been approved by the director of the Extension and Training Agency of the Ministry of Forestry – Jakarta*, and therefore it is ready to be used in all over the country.

Training Activities to Improve the Capacity of Local Community Leaders and Field Agents

Two series of training activities were carried out at Rinjani and Mutis Timau areas that consist of the training at the provincial level and the training at the sub district and village levels. The details of the training activities conducted for this project are summarized in the following sections.

Training at Provincial Level (Mataram - West Nusa Tenggara and Kupang – East Nusa Tenggara)

Training Objectives and expected outputs: There main objectives of the training are to increase the *awareness, knowledge, skills, perceptions, and to change practices* of the training participants in all aspects related to group and NTFP management. The expected outputs of the training are (1) the participants developed critical awareness of the importance of community groups and the proper management of NTFPs, (2) participants' knowledge, perception and skills are improved in both group and NTFP management, and (3) participants' knowledge and skills on training and facilitations for group and NTFP management are improved.

Place, Time and Contents: The trainings were carried out in Mataram - the provincial capital of West Nusa Tenggara for 6 days where the first 4 days were in-class sessions and the last 2 days in the field. This training was held from 3rd to the 8th of September 2012. The training for Mutis Timau participants was conducted in Kupang, from 6th to 11 August 2012 where the participants spent also 4 days in class and 2 days in the field. The training session lasted from 8.30 am to 5.30 pm.

At both training, the participants learned about the importance of NTFPs for the local community livelihood and for forest protection and conservation, the strategic roles of community organizations and the management of NTFPs. The whole contents of the training modules were shared with the training participants. For technical skills, the training sessions also provided participants with technical knowledge and skills on bamboo and honey production, processes and marketing.

Participants and resource persons: Participants of the provincial trainings conducted in Mataram and Kupang were farmer group representatives from all the target villages (Sedau, Setiling and Santong for Rinjani PA; Fatumnasi and Nenas villages for Mutis Timau PA). The training in Mataram was also attended by farmers from non-target villages of East Lombok district (managing Sapit conservation forest), also from NGOs. At both training activities, field agents from the sub district level, extension staff from district and provincial extension organizations were also attended. The trainings in Mataram and Kupang were attended by 50 participants (25 participants each training).

The trainings were facilitated by the provincial facilitators and supported by resource persons and experts from the University of Mataram and Forest Research and Development

Agency (FORDA) Mataram, and the representatives of the successful community groups and network (from Wirasinge farmer group, and Mr. Julmansyah representing *Jaringan Madu Hutan Sumbawa* of JMHS or *Sumbawa Forest Honey Network*).

Training methods: These provincial level trainings used two approaches, in-class sessions and field visit activities to observe and learn from the success story of NTFP management and processing. In Mataram, the participants visited “Wirasinge Farmer Group” (at Batu Kuta village of Narmada sub district – West Lombok district) and “Bamboo Processing Industry” (at Gunungsari village of Gunungsari sub district – West Lombok district). The training participants in Kupang conducted field visit to “Honey Processing Industry – Amfoang Jaya” (private owned company), “Bamboo Processing Group” (at Bokong village), and “Oesusu Bamboo Forest and Nursery” (Camplong village).

Training Evaluation: Evaluations were carried out at the first day of the training (pre-test/expression of interest) and after the completion of the training (post-test/reflection). The results of the pre-test indicated the participants’ knowledge, skills and attitudes on group and NTFP management where in general demonstrated the participants’ lack of knowledge, skills and negative attitudes on group management and NTFP utilization and management.

Action Plan (Follow up Actions): Action plan was developed at the end of the training sessions as a guide for the participants to do when they go back to their communities at their villages. The participants were expected and agreed to facilitate group meeting or to share the lessons they learned at the training, or the participants to form or establish community business groups (KUB) or network for NTFP management and to empower the local communities – see the training report! In Rinjani, there were two follow up actions, first group establishment at the village level continued with the capacity building activities (training to strengthen the groups/network and to develop business plan), and the establishment of task force at the district level. Check for the Mutis area – have a look at the training action plan (formation of farmer cooperative, and training for bamboo cultivation and processing).

Training on Small Scale Entrepreneurship at Village Level of Rinjani and Mutis Timau Areas (Conducted at Salut/Mumbulsari & Setiling for Rinjani & Fatumnasi and Nenas Villages for Mutis Timau)

Village level trainings was carried out at the community and group level as a follow-up activity of the provincial level trainings, namely at Salut and Mumbulsari, and at Setiling villages.

Training Objectives: There are three main objectives of this training (1) to improve the capacity of local communities and their groups NTFP Management (2) to develop entrepreneurship skills in developing community base non-timber forest product enterprises, and to develop group a business plan, and (3) to improve the capacity of local communities to initiate partnerships with other stakeholders, especially the private sector.

Participants: Participants of these trainings were farmers and group representatives from all the target villages, and the related field agents working with farmers from the target villages. In total, there were 25 participants of each of the trainings.

Methods: The training activities applied participatory and adult education approaches. Therefore, the training session consists of in-class and outdoor activities. Presentation and

group discussions used for the class session while observation and discussion were applied for the study tour session. In addition, the training was facilitated by skilled facilitators and resource persons.

Training Evaluation and Outputs: Evaluations were carried out at the first day of the training (pre-test/expression of interest) and after the completion of the training (post-test/reflection). The results of the pre-test indicated the participants' knowledge, skills and attitudes on group and NTFP management where in general demonstrated the participants' lack of knowledge, skills and negative attitudes on group management and NTFP utilization and management.

Activity 1.2: Developing Models for Small-scale Economic Development of NTFPs

There are two steps taken to develop the model, *first*, conduct a study to understand the existing marketing and small scale enterprises dealing with NTFPs, and the potential models to promote more sound approaches to develop small scale economic development of NTFPs, and *second*, a series of discussion and workshops to develop the models.

The Approaches to Develop the Models

The study was carried out to develop the model for small scale economic development of NTFPs. For this objective, some relevant data on NTFPs and their processing as well as marketing activities were collected from all key stakeholders involved along the supply and value chains such as farmers, processors, traders, policy makers and other stakeholders. Data collection was done through structured interviews, in-depth interviews, Focus Group Discussion (FGD), and secondary data collection methods. The data was analyzed accordingly to gain a comprehensive understanding of the NTFPs management, especially their social and economic benefits to the communities.

A series of workshop and discussion was carried out to discuss and develop the final models for the development of small scale economic development of NTFPs. These activities were carried out in the districts as well as at the provincial levels involving all key stakeholders, from the village to the provincial levels such as farmers, traders, processors, private sectors, and policy makers.

Among the results are that there are 6 alternative models for developing small business of potential NTFPs in the two forest areas, and the implementation of the models requires strategic moves, including dissemination of information regarding of the models and improving the capacity of stakeholders involved.

The Alternative Models for Small Scale Economic Development of the NTFPs

On the basis of the study and the workshops carried out for the project, six alternative models were agreed for managing business of NTFPs in Rinjani and Mutis Timau protected areas, namely (1) household and or individual scale business model, (2) community group business or Kelompok Usaha Bersama or KUB, (3) farmer cooperative model, (4) partnership model, (5) production center model, and (6) network business model.

The Challenges to Implement the Models for Small Scale Economic Development of the NTFPs

The implementation of the models requires strategic moves, targeting on increasing prosperity producers of NTFPs while attempting to manage forest in sustainable way. Required strategies to implement the models cover the following six points:

- (1) Information dissemination and agreement on the best models that have potential and possibilities of success
- (2) Capacity building for stakeholders to support the implementation and effectiveness of the models
- (3) Developing action plan and implementation of the models
- (4) Supervision and mentoring on the implementation of the models
- (5) Evaluation, observation, and revision of the models – following “action-learning” approach, which is expected to result in the best performance of the models, and
- (6) Developing and implementing policies that supports the implementation of the models (i.e. Policy that supports all sub systems of the management of NTFPs, from the sub systems of input/production, processing, and marketing).

Activity 1.3: Conducting Series of Extension Activities

The extension activities promoted through the project have taken various forms and not only limited to the specific activities as stated in the project plan “conduct 2 extension activities at the project pilot sites”. The extension activities were carried out also at the same time when the community trainings were taking place, and when the project team met the key stakeholders though Working Group meeting and discussions. Every training session conducted at the community level such as at Salut and Mumbulsari villages of Santong area, and at the Setiling village in Central Lombok, the extension activities to create community awareness about the importance of NTFPs for the local community livelihood were done not only through oral presentation, but also through film presentation and reflection process.

Producing and distributing extension media such as brochures, booklets, banners, books of Management Plan and NTFP Small Scale Business Models are the other forms of extension activities promoted in the project. As it is reported, during the project implementation, some publications were done such as the publication of Management Plan, Small scale NTFP Business Models, posters, brochures, and booklets.

Special agreement with the provincial extension organization (*Bakorluh or Badan Kordinasi Penyuluhan* or Provincial Extension Coordinating Agency), participating in the local government expo or field days as well as the media coverage during the project implementation are also part of extension activities carried out in the project.

Collaborations with the *Provincial Extension Coordinating Agency* and the local governments of Central and North Lombok districts led to the massive development and production of extension media to support the extension activities for NTFP management. Booklet and posters on the most potential NTFPs have been produced (2000 copies). A documentary film on “The Most Potential NTFPs in Rinjani” has also been produced. These extension media will be used to improve the local communities, local governments

and other stakeholders' awareness and knowledge on the NTFPs (including the private sector).

A series of extension activities to introduce the Bupati Decrees on NTFP management was carried out at North and Central Lombok districts. These activities were done in collaboration with key stakeholders such as the local communities, government agencies, NGOs, universities, and private sectors.

An agreement has been achieved to integrate the NTFP management into the district and provincial operational planning and the district and provincial medium term development plannings. These government supports to the development of NTFP management are critical to the improvement of economic, social and environmental (ESE) aspects of the local communities who are living in and around the Rinjani protected areas.

3.2.2. Project Activities for Output 2

Three major activities were carried out to achieve output 2 that are (1) Developing management plan for sustainable utilization of NTFPs using updated and reliable information through participatory process (drafting management plan, workshops, adoption of the plan), (2) Conducting intensive consultations with local stakeholders (in terms of information on benefit of sustainable utilization of NTFPs; expectations from forest management) *in the utilization NTFPs policy decision making process*, and (3) Developing economic incentives options for local communities to participate in conservation of Protected Area (PA) and sustainable utilization of NTFPs. The details of these activities are presented in the following sections.

Activity 2.1: Developing Management Plan for Sustainable Utilization of NTFPs

Two steps taken to develop NTFP Management Plan at Rinjani protected area, *first*, research activity to collect secondary and primary data that were needed for management plan development that lead to the first concept of management plan, *second*, drafting and finalization of management plan through a series of discussion, seminars and workshops, ranging from district, provincial and national levels.

Data Collection Process – Research Part: Secondary data were collected from related agencies and the primary data were collected from farmers, community groups, village offices, and other key stakeholders. Participatory approaches were also applied to this data collection stage by using focus group discussions, workshops, and consultations, from the community and village level to the provincial level. The main roles of the project consultants were to facilitate the process where at the end lead to the collection of complete and comprehensive data for drafting the NTFP Management plan. Based on the data analysis and information collected, the following conclusions were made from the study:

- (1) Non Timber Forest Products have great potential and opportunities to be developed. This is partly due to the fact that NTFPs has been shown to contribute to increased revenue of community groups whose managing IUPHKm in particular, and the

regional economic of the communities in general to reduce the pressure on forest resources;

- (2) Management of NTFPs is facing many obstacles and problems, both in the aspects of bio-physical governance, institutional governance and management of business. As a result, NTFP commodities has not provided optimal benefits to the farmers/communities;
- (3) Many parties are involved and have different interests in the management and development of NTFP commodities, but these stakeholders do not have the same vision. Consequently, the management of NTFPs has not been done synergistically, and as a result, no significant progress has been made; and
- (4) In order to promote effective management of NTFPs in the targeted areas, more stakeholders have realized the importance of building a shared vision and mission for NTFP management, the need to formulate development direction, objectives and strategies, and also formulating and integrating programs and activities, which further outlined in the Management Plan document of NTFPs.

Drafting and the Process to Finalize the Management Plan: Activities taken to draft and finalize the NTFP Management Plan followed the participatory approaches where participation techniques applied. The key stakeholders and the project beneficiaries who were involved in sharing data and information at the first stage of the process were invited to the group discussions and workshop to discuss the structure and the contents of the NTFP management plan. The process was originally planned to be started mid December 2011 and finished by middle March 2012, but due to some problems, the management plan could be finalized in July 2012.

Table 3.2 Stages in the Development of the NTFP Management Plan

Activities to Develop Management Plan (Data collection and Drafting)
(1) Preparatory discussions designing the research process
(2) FGDs with the West Lombok village at Sedau
(3) Workshops at the provincial level: identifying NTFP management problems and formulating the vision, mission and objectives of NTFP management.
(4) The FGDs with community groups IUPHKm holders located at Setiling Village, Central Lombok
(5) The FGDs with community groups IUPHKm holders located at Salut Village, North Lombok
(6) Collecting secondary data
(7) Preparation of draft-1 MP-HHBK
(8) Consultation draft-1 MP-NTFPs in North Lombok District level
(9) Consultation draft-1 MP-NTFPs in Central Lombok District level
(10) Internal discussions ITTO-WWF team and draft revision-1 MP-NTFP
(11) Workshop of draft-2 MP- NTFP, provincial level
(12) Internal Discussion involving ITTO-WWF Team and revision of draft-2 MP-NTFP
(13) Workshop for final draft of MP-NTFP, provincial level
(14) Internal discussions (WWF and ITTO team)-revised the final draft of MP-NTFP
(15) Internal team discussions WWF and ITTO, then revised the final draft
(16) ITTO team's internal discussions and finalization of the document-WWF MP-NTFP
(17) Socialization MP-NTFP documents in the forum "Workshop on Integrated Management of NTFPs" Participatory Forest Management Through the Use of Non Timber Forest Products in the Region Sustainably Rinjani, Lombok in Mataram

After about eight months of work (Mid December 2011 to middle July 2012), the final NTFP Management plan could be finalized with three major contents, (1) the existing conditions of NTFP management, (2) the strategic issues and causes, and (3) the future direction for NTFP policies and programs. The complete documents of NTFP Management Plan for North and Central Lombok districts have been printed and shared with all key stakeholders, especially the district office of forestry services.

Activity 2.2: Conducting Intensive Consultation with Local Stakeholders

This activity was carried out to examine and understand the existing rules and regulations on the NTFP management (from the national to the district level), the process and the contents of these regulation, and at the end to help the local government develop more effective rules and regulations through participatory approaches, especially by involving the local communities in the policy formulation and implementation. The activities were carried out from early May 2012 to late July 2012. The project team met various stakeholders at the district level at Rinjani and Mutis Timau areas such as the Forestry Services, District Planning Board, and other stakeholders related to NTFPs. In-depth interviews, focus group discussions and workshops were used to the study.

The conclusions made from these intensive consultations are (1) there is a common understanding at the policy maker level that the NTFPs are important to the local economy and the livelihood of the local communities, (2) however there is no strong supporting policies to support the effective management of NTFPs in the study sites – district government, (3) there is a need to have legal basis for NTFP management, (4) the local governments need to create special policies to promote effective management of NTFPs which in turn will improve the local community livelihood.

Further outcomes of the activities carried out during the projects that the local government such as the Central and North Lombok districts, Timor Tengah Selatan or Central South Timor district issued special regulations to support the Management of NTFPs, such as the following:

- (1) Establishment of task forces at two districts (POKJA)–Bupati Decree No. 469 Year 2012 on the Formation of NTFP Working Group in Central Lombok; and Bupati Decree No.: 193/58.1/DPPKKP/2013 on the Formation of NTFP Working Group in North Lombok.
- (2) Determination of the Potential NTFP for economic development – Bupati Decree No. 54 in 2013 on the most Potential NTFPs of Central Lombok; and Bupati Decree No.192/58/DPPKKP/2013 on the most Potential NTFP of North Lombok.
- (3) Other policies and budgetary supports to the management of NTFPs have also issues and expressed by the local government and as well as Banks. More details of these policies and supports are presented in the “Post-project situations” section.

Activity 2.3: Developing Economic Incentives for Local Communities

Once the model developed, and the local community and local government adopted the model by establishing the *Community Business Group (Kelompok Usaha Bersama* or KUB) and Honey Forum (*Jaringan Madu*), both in North Lombok district, the Project Team

facilitated them to improve the management of NTFPs. *Quality control strategies, grading of the NTFPs, certifications of NTFP business/enterprises and the group products, and NTFP industry registration* have been the focus of the project works as part of developing economic incentives option for local communities to participate in conservation of PA and sustainable utilization of NTFPs.

To support these works, the Project Team worked closely with some key stakeholders at the provincial (such as the Provincial Extension Coordinating Agency or *Bakorluh*) as well as at the district levels (the Office of Trade and Industry).

By the end of August 2013, the following achievements are identified:

- (1) The Honey Network at North Lombok district *has had an agreed quality control mechanism* at the group level as part of the whole efforts to improve the quality of NTFP management in Rinjani.
- (2) The Candlenut Business Group (Kelompok Usaha Bersama Kemiri) “Due Bareng” of North Lombok has gained knowledge on grading mechanism (important for price determination and packaging process) to improve the quality of candlenut that meet the market demand.
- (3) In collaboration with the Provincial Extension Coordinating Agency (Bakorluh – NTB), the project team has facilitated the communities and community groups in getting certifications for their NTFP business enterprises and their products – both in Central Lombok and North Lombok districts. As results, the processed products from the groups have been certified and meet the market standards. It is expected that the products will get good prices and the demand of the products will increase.
- (4) To support the development of groups’ business, the Project Team in collaboration with the Provincial Extension Coordinating Agency and other key stakeholders has facilitated the groups to register their business/enterprises and get permits. As results, the groups’ businesses at Central and North Lombok districts have been registered at the Government (got *Tanda Daftar Industri* TDI) and got business permit (got *Ijin Rumah Tangga* or PIRT).

The process was originally planned to be started beginning February 2013 and finished by the end of May 2013, but due to some problems, this activity began in April 2013 and finalized in the end of August 2013.

3.3. Time Schedule

The project implementation has been conducted in accordance with its time schedule. It starts from June 2nd, 2010. Work plan of the project was developed in consecutive 2 YPOs (Yearly Plan of Operation), namely YPO I (June 1st, 2011 – May 31st, 2012, YPO II (June 1st, 2012 – May 31st 2013). Project got extension duration until August 2013.

3.4. Total amount expenditure

3.4.1. Project Duration and Overall cost

The project was planned for two years, starting from June 2011 – May 2013 with the ITTO budget in the amount of US\$ 490.374. The overall cost of the project was USD 617.574 comprising ITTO contribution US\$ 490.374 and GOI contribution US\$ 127.200.

3.4.2. Appropriateness of Project Inputs (Quantity and Quality)

Actually, the project received a total fund of USD 419.050 from the ITTO during two years project implementation. The project reviewed the budget two times and got approval from ITTO.

The first budget modification in 2012 was approved by ITTO (F 12-0082, 7 May 2012), was about:

- a. Reviewed International consultant budget to other components because of the activities can be covered by the National Consultant.
- b. Additional budget for field monitoring, national coordination, and sub contract budget.
- c. Implementation sub contract to collaborating agency

The second budget modification in 2013 was approved by ITTO (F 13-0251, 3 October 2013), is about:

- a. Reviewed National consultant budget, that projects not contracted two consultants for the job can be done by the same consultant and simultaneously.
- b. Additional budget for duty travel, consumables and miscellaneous to support field monitoring and coordination MOF
- c. The reduction in budget sub-contract, the consequence is a reduction in the hire consultants.

Actually, the project received a total fund of USD 419.050 from the ITTO during two years project implementation. The project had two times the budget reviewed and got approval from ITTO (F.12-00821, 7 May 2012).

The first budget modification is about:

Although the project inputs were properly allocated in the project document, the balance of the project amounted to around US\$ 18.647, was due to the savings made and efficient execution of each project activity. The big savings came from National cost/travel (US\$ 10.124); National consultants (USD\$ 1.833) and Sub contract (US\$ 3.658).

In total, the project has spent the budget of US\$ 400.403 (95 %) during the implementation. Therefore, the balance of the budget US\$ 18.647 and the unspent budget had transferred to ITTO bank account.

The spent budget (US\$. 400.403) including the committed budget for the remaining activities are as shown in Table 3.4.

The project financial and cash flow statement are presented in Annex 1 and 2.

Table 3.4 Project Financial Statement at the end of the project (ITTO Contribution)

Budget Component	Origin Amount (US \$) (A)	Modified (US \$) (A'')	Expenditures To-date (US\$)			Available Funds (US \$) (E) {A''-D}
			Accrued (B)	Expended (C)	Total (D) {B+C}	
10. Project Personnel	225.250	215.250	2.000,00	213.381,01	215.381,01	1.819
20. Sub-contracts	100.000	105.000	0	91.342,15	3.658,99	3.658
30. Duty travel	57.300	61.000	1.831,58	53.546,36	53.546,36	10.103,64
40. Capital Items	5.000	5.000	0	4.295,16	4.295,16	704,84
50. Consumable Items	16.500	16.500	915,42	16.961,03	17.876,44	1.823,56
60. Miscellaneous	15.000	16.300	1.701,82	16.289,60	17.991,42	508,58
70. ITTO Administration	71.324	0	0	0	0	71.324,00
Total	490.374	419.050	6.448,82	393.983,73	400.432,54	89.941,46

4. PROJECT OUTCOME & TARGET BENEFICIARIES INVOLVEMENT

4.1. Project Specific Objectives

The project specific objectives were fully achieved because all project outputs had been delivered through full execution and completion of all project activities see table 4.1 below.

Table 4.1 The achievement made by the project

Development Objective: To promote sustainable utilization of NTFPs in Nusa Tenggara Indonesia		
Indicator	Conservation of Protected Area (PA) and participatory forest management for sustainable utilization of NTFP resources surrounding it established before end of project	<u>Achieved :</u> <ul style="list-style-type: none"> – Participatory planning was used to produce two management plans in North and Central Lombok Districts. – Two working groups formed in North and Central Districts. – The farmers choose and implement the priority NTFPS themselves. – Community productive union (KUB), partnership and networking established
Assumption	National and local policy support participatory forest management in protected area in Nusa Tenggara	<u>Achieved:</u> <ul style="list-style-type: none"> – Review of Ministry of Forestry Regulation on NTFPs (to allow community priority NTFPs). – Local authorities approved the management plans and delivered to 8 villages (4 in North. Lombok (NL) and 4 in Central Lombok (CL), the formation of working groups,

<i>Specific objective: To improve participation of local communities in promoting sustainable utilization of NTFPs and for conservation of the Rinjani and Mutis Timau Mountain Protect Area</i>		
Specific objective indicators	Number of permits for utilizing NTFPs:	8 community groups : <ul style="list-style-type: none"> – N.Lombok: Salut (350 ha), Tangga (87 ha), Mumbul Sari (100 ha), Santong (221 ha); – C. Lombok: Lantan (349 ha), Aik Berik (842 ha), Setiling (217 ha), Karang Sidemen (461 ha).
	Capacity in villages and in key institutions	<ul style="list-style-type: none"> – Training of facilitators (including government officials) in empowering community groups in management of NTFPs conducted for 53 beneficiaries (28 W. and 25 in East N. Tenggara. – Establishment of 2 cooperative unions in C. and N. Lombok. – The community groups of NTFPs in N. Lombok and Central Lombok has had the business plan both for candlenut and honey business. The business plan will be a reference for the community groups in

		<ul style="list-style-type: none"> – Support of their activities to develop NTFPs (quality and quantity), market linkages, and development capital for productive activities. – Significant achievement is one of the key points for the capacity building process; agreement between local government and community groups to develop participatory work plan for capacity building and share resources.
	Model small scale enterprise	<p>Six alternative models developed in order to accelerate the implementation of the management plans:</p> <ol style="list-style-type: none"> (1) Model for home NTFP industry; (2) Community Productive Union Model; (3) Cooperative model; (4) Contractual partnership model; (5) Central NTFP Model (all production functions in one area); (6) NTFP networking between Mutis/Timau, Rinjani (data, information in order to sell). <p>Model for managing business of NTFPs both in Rinjani and Mutis Timau has been agreed three models, namely: model of group business (KUB), model of cooperative (KSU); and model of network. In line with the process of developing the community business plan.</p>
	Incentive policy option	<p>Study finalized: “Analysis of policy in order for support to sustainable NTFP management in East and W. Nusa Tenggara”. 5 policy options recommended: (1) Establish WG on NTFPs by Bupati Decree; (2) Approval of NTFP priorities at District level by Bupati regulation; (3) Grand strategy for NTFP management at District level; (4) Policy on partnership and trade regulation for NTFP by District regulation; (5) Review of Ministry of Forestry Regulation on NTFPs (to allow community priority NTFPs).</p>
	Local capacity in NTFPs utilization	<ul style="list-style-type: none"> – Training included in training of trainer module. – Training to increase honey quality in Mutis Timau.
	Forest utilization practice enhanced	<ul style="list-style-type: none"> – Increasing quality of honey – Increasing market price (honey, candlenut) – Network grows for honey market – Selling system improvement (honey, candlenut and bamboo)
	Management plan for ten NTFPs	<p>Two management plans (N. Lombok and C. Lombok)</p> <p>Working Group (WG) NL and CL are established.</p>

Assumption	Government policy support to sustainable participatory forest management in protected area	<p>NTFP development is part of the District Five-year Plan.</p> <p>The project is being facilitated to integrate these models into local policy. Bupati was agreed to be adopted as policy options to strengthen the implementation of the models.</p> <p>Budget allocation from the Government North Lombok and TTS district.</p>	
	Strong support and commitment from various stakeholders	<p>Key stakeholders are participating in WG.</p> <p>The Central Bank (Bank Indonesia – Mataram) agreed and allocated budget for capacity building of candlenut processed and support infrastructure for increase production of honey for KUB in North of Lombok</p> <p>Strong commitments from local governments and the community groups in order to develop and integrate their NTFP's management plan into district plan.</p>	
Outputs		Stakeholders and partners concerned	Achievement
1.1	Capacity of local communities in obtaining permits for utilizing NTFPs is increased-	Forest services at District and Provincial levels; Cooperatives; Industry and Trade chambers; District Government; UPT of Ministry of Forestry; private sector.	<ul style="list-style-type: none"> - Trained forestry staff: 5 in Rinjani and 5 in Mutis trained NTFP management. - Trained community leaders in SFM: 43 community members. - Training in small scale NTFPs entrepreneurship: -same as above- - Increasing quality of honey - Increasing market price (honey, candlenut) - Network grows for honey market - Selling system improvement (honey, candlenut and bamboo) - Data on marketable and extractable NTFPs: Report on development of small scale model for NTFP in Rinjani and Mutis with analysis on economy data. - Bupati decree No. : 192/58/DPPKKP/2013) determined Honey and

			<p>Candlenut as priority commodity.</p> <ul style="list-style-type: none"> - Bupati Decree No. 54/2013 on Determination of NTFP commodities in Central Lombok (Durian, Avocado, Jackfruit, Bamboo, Palm for Sugar, medicinal spices such as ginger /galangal/taro, Areca Nut, and Ketak) - Establish Community productive, union, partnership, and networking. - The function and role of the KUB/group start well developed - Extension on small scale entrepreneurship, leaflet and brochure published and distributed.
1.2	Management Plan for more economically viable NTFPs elaborated	-Same as above – plus community groups, University of Mataram, local legislative members.	<ul style="list-style-type: none"> - Expert studies on forest resource and its environment: (1) Existing condition of forest resources in Rinjani; (2) General information on environmental issues; (3) Information on the District context; (4) Economic situation. - Development of field survey and information system: - Bupati Decree No. 469/2012 on NTFP Working Group in Central Lombok - Bupati decree No. 382/126/DPPKKP/2102 on NTFP Working Group in North of Lombok - North Lombok Regency decree No. 20 in 2013 concerning Guideline management plan for sustainable NTFPs. - Central Lombok Regency decree No. 17 in 2013 concerning Guideline management plan for sustainable NTFPs.

			<ul style="list-style-type: none"> – Economic incentive option for sustainable utilization of NTFPs. Honey network at N. Lombok has had an agreement control mechanism. – The groups’ businesses at Central and North Lombok districts have been registered at the Government (got <i>Tanda Daftar Industri</i> or TDI) and got business permit (got <i>Ijin Rumah Tangga</i> or PIRT) – Recommendations 5 policies in order for support to sustainable NTFP management in East and W. Nusa Tenggara.
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4.2. Existing Situation at Project Completion as Compared to the Pre-Project Situation

4.2.1. Tangible Project Outputs

Due to the activities carried out during the project, the existing situations at the project sites and areas have been different from those situations before the project. The following points highlight the situations after the project implementation (post-project situations):

- a. The capacity of local communities both farmers and community leaders (in 11 villages, field agents, policy makers and other project beneficiaries have been improved. They have developed their critical awareness of the importance of NTFPs for their livelihood, they have improved their knowledge, changed their perceptions, attitudes and skills on groups and NTFP management.
- b. The Central Lombok and North Lombok governments have had NTFP Management Plan. These management plans have been adopted and further policies have been issued.
- c. Following the adoption of NTFPP Management Plan, various supporting policies on NTFP management have been issued and operationalized. In Central Lombok and North Lombok districts, the government had issued Bupati Decrees on “Determination of Potential NTFPs”, “NTFP Working Groups”, and “Guidelines for NTFP Management” (See Table for the details of these policies).
- d. The local government of North Lombok and Central South Timor had also allocated and approved some budget to support the development and the management of NTFPs. The government of Timor Tengah Selatan promoting program to support the farmer cooperatives in the management of NTFP products (including marketing). The

- government has agreed to allocate budget support for each cooperative about Rp. 50.000.000 in FY 2013. In addition, Forestry Service Unit of Timor Tengah Selatan has also allocated some budget supports for capacity building for the community groups who are involved in NTFP management in Mutis Timau area.
- e. Similarly, the bank such as the Indonesian Central Bank has also committed to provide financial support to the community groups and network in North Lombok in candlenut and honey production, processing and marketing.
 - f. At the community level, through their behavioral changes (knowledge, attitudes, and skills), then the local communities have also established their community organizations working for NTFP management such as *business groups* (Kelompok Usaha Bersama or KUB), *networks* and *forum*. The business group at target villages in North Lombok district focuses its activities in candlenut production, processing and marketing as well as financial management while the community networks is dealing with honey production, processing and marketing (exist in Rinjani and Mutis areas). NTFP community forum that established in Central Lombok district mostly work on processing fruits and other NTFPs. The honey network (Jaringan Masyarakat Mutis or JMM) has also strengthened.
 - g. Six models to develop small scale business enterprises dealing with NTFPs have been in place. The models consist of such as household industry model, group business model, cooperative model, model central production, partnerships and network models.
 - h. Moreover, the project has also produced some important documents such as NTFP Management Plans for Central and North Lombok districts, special Training Modules for NTFP management, NTFP Small Scale Economic Development Models, some other related booklets, brochures and leaflets.

4.2.2. Sectoral Policies and Program

The policy of MOF in development Non Timber Forest Products had key performance important (KPI) namely: training NTFP, determining priority NTFPs, developing business production, developing business partnership, establishing working group NTFP, establishing central NTFP and developing community forestry. The project supported the KPIs of MOF.

Meanwhile Based on MOF regulation No. 37/2007 about community forestry (HKm), community forestry utilization permit (IUPHKm) has to submit forest management plan. To make forest management plan is not easy, the project supports the government and community forestry permit holders.

4.2.3. The Physical environment

By the completion of the project, utilization of open area planted by people with coffee plants, Avocado, Durian, Banana, Jackfruit and other multipurpose tree species. The plants were obtained from the government program known as the Community Seedling Orchard (Kebun Bibit Rakyat). The government provides funding to farmers groups to made nursery and plant on their land.

4.3. Target Beneficiary Involvement

Participation has been the key component of this project as it is highlighted in the project proposal. Strategic issues of NTFP management have been due to the lack of key stakeholder participation in all stages of decision making processes. Further investigation on the factors associated with low participation of the local communities confirmed for lack of their capacities, both human and social capitals, to take part in all kinds of decision making for more effective management of forest and including the NTFPs in their areas.

With this background, then the participation of all stakeholders (the project beneficiaries), such as local communities (farmers, community and group leaders, village governments), field extension agents, private sectors, policy makers, financial institutions, academicians, local parliaments in all project activities has been the major approaches taken in the project cycle (from project identification, implementation, monitoring and evaluation). Beneficiary participation ranged from village level, district and provincial level and up to the national level through various forms and methods in all project activities (Act.1.1 to Act.1.3 for output 1; and Act.2.1 to Act. 2.3 for output 2).

Table 4.3 Beneficiaries Involvement in the Whole Project Activities

Output / Activities	Participants	Strategies applied
Output 1: <i>Capacities of local communities increased in obtaining permits/group & NTFP management for utilizing of NTFPs enhanced</i>		
Activities 1.1 <i>Conducting training in participatory forest management for sustainable forest utilization of NTFPs in protected area (research activities to do “training need assessment”, “to develop training modules for capacity building”, and “conducting a series of trainings at the provincial to village or community levels”</i>	Farmers, village formal and informal leaders, group leaders, field agents of related government services, Executing and Collaborating Agency (forestry services), Consultant/expert, resource persons, business sector, and others	In-depth interviews, focus group discussions, workshops, consultations, participatory learning and action, reflection, small and plenary group discussion,
1.2 <i>Developing model for small-scale forest economy dealing with NTFPs for income generation of local communities in pilot villages</i>	Farmers, traders, group leaders, field agents of forestry services, Consultant/expert, resource persons, business sector, and others	Beneficiaries involved in the “data collection”, and “model development” processes through focus group discussions, consultations, workshops and seminars
1.3 <i>Conducting extensions for improving awareness of ESE benefits of Protected Area in pilot villages</i>	Farmers and groups from targeted villages, field extension agents, village government, resource persons, academicians, NGOs	Using group approach, in-class sessions, field visit or study tour (visits to the successful groups or private institutions), learning by doing method (seedling for bamboo, practicing bamboo processing – making furniture)

Output 2: <i>Management plan</i> elaborated for more economically viable of the NTFPs		
Activities 2.1. <i>Developing management plan</i> for sustainable utilization of NTFPs using updated and reliable information <i>through participatory process (drafting management plan, workshops, adoption of the plan)</i>	Farmers, village formal and informal leaders, group leaders, field agents of related government services, Executing and Collaborating Agency (forestry services), Consultant/expert, resource persons, business sector, and others	Research part using focus group discussion, seminar and workshop, in-depth interviews, participatory observation & Drafting and finalization of Management Plan documents
2.2. <i>Conducting intensive consultations with local stakeholders</i> (in terms of information on benefit of sustainable utilization of NTFPs; expectations from forest management) <i>in the policy decision making process for utilization of NTFPs</i>	Executing Agency, Collaborating Agency and national consultant/expert	In-depth interviews, FGDs, workshops and seminars
2.3 <i>Developing economic incentives option</i> for local communities to participate in conservation of PA and sustainable utilization of NTFPs	Executing and Collaborating Agency	Facilitations to meet local government and private sectors, group formal and informal discussion, community reflection

Notes: All evidences of beneficiaries' involvement in the project activities are explained and attached to the project technical reports.

4.4. Project Sustainability after Project Completion

The sustainability of the project is more likely to take place due to the following conditions, (1) the management plan has been adopted by the local government, (2) the local governments have established Working Groups to support the local government and local community organizations in managing the strategic and potential NTFPs for local economy and community livelihood, (3) the local governments have produced local supporting regulations to support more effective management of NTFPs for improving the local community socio economic and environmental conditions, and (4) the establishment of local community organizations/forum/network and the exist of business plan of the local organizations developed through local community participation.

However there are some challenges to project sustainability in the target areas such as (1) the trend in the government birocracy such as "the movement and reposition of government personnel" that have been trained by the project to move to other posts that to some extent will affect the post project performance, (2) the local community organizations may reduce their activities due to the limited supervision after the project, and (3) the change of local government regime may lead to the changes in their development priorities and policies, and 4) lack of effective inter-agency coordination may affect the performance of local community organizations that working with NTFPs.

5. ASSESSMENT AND ANALYSIS

5.1. Project Rationale and Project Identification

Project Rationale

The project rationale was really in line with the existing situation during the beginning of project implementation. Unsustainable forest utilization practices continue and local communities who live in the surrounding of Mt Rinjani and Mutis Timau Protected Area (PA) have no tangible benefit from the protected area they will not support conservation of the protected areas and as a result encroachment of the forests will continue. These encroachment activities will lead to forest degradation which contributes to flooding, soil erosion, irregular water supplies and continued poverty. The combined result will be a negative impact in Nusa Tenggara region. It is of utmost importance that the local community who live in the surrounding protected area is empowered in order to be able to participate in the sustainable utilization of the forest resources surrounding the protected area. This will prevent them from encroach the forests as they will receive economic incentives for their participation in sustainable utilization of NTFP's.

Project Identification: Using various approaches to project identification such as secondary data, in-depth interviews with key stakeholders, focus group discussions and workshops, the project is relevant to the socio economic and environmental condition of the local communities. The rational for the project is to improve the capacity of local communities and the local governments that allow them to develop more participatory NTFP management plan and at the end contributed to the sustainable utilizations of NTFP for the improvement of community livelihood.

The project was proposed based on the fact that limited efforts were done to address socio economic and environmental issues of those communities living in and at the surrounding areas of the protected forest. Better management and effective utilization of NTFPs is the proposed option agreed by local communities and local government to improve the livelihood of the local communities. The strategic intervention to reach these ultimate goal, improved the capacity of local communities in group and NTFP management as it is proposed through this project.

5.2. Project Objectives and Implementation Strategies

There is no difference between the project proposal document and the actual implementation strategies of the project. The objectives of the project seem to be “SMART”, specific, measurable, achievable, realistic, and meet the time as it was planned. The development and the specific objectives of the project are in-line with the objectives of the local governments in West and East Nusa Tenggara provinces, an in particular the district governments and the local communities. As a result, the supports and responses of the local government and communities have been very high.

Moreover, through participatory approach applied to this project, from data collection to the action stage of the project, the sense of “project ownership” by the local governments and communities has been very strong. High level of participations of all stakeholders in all

project activities, and the real actions taken by the local governments and communities are the real evidenced of the acceptability and the relevance of project objectives and implementation strategies. The local governments such as Central and North Lombok districts have produced local regulations, in forms of Bupati Decrees, to support NTFP management. The local governments have established the Working Groups/Task Force at the district level, and determining the strategic 9 to 10 NTFPs. At the community level, the NTFP groups, network, forum and cooperatives have been established and operational which are working on some strategic NTFPs such as honey, bamboo, candlenut, fruits. These community organizations are working on production, processing, and marketing of the NTFPs and their processed products.

5.3. Critical Differences

There was no substantial different between planned and implemented activities of the project; however there are few changes and modification made to the project:

- (1) The planned target area that was originally 9 villages have been changed to 11 villages² in both Rinjani and Mutis Timau protected area. Therefore, the coverage of the projects has been broader than it was planned. Moreover, the other reasons for this change due to the interest of the local communities and the local governments. And from the project perspective, the project did not spend extra cost to this coverage change.
- (2) The modification of the project “output 1” was made in the early stage of project implementation where the project put a strong focus on the capacity building for the communities that lead to their participation in managing NTFPs, and the development of NTFP management plan for the areas where management permits have been provided. Getting permit is not the focus, but the ability of the local communities and community groups as one requirement to get the permit is the concern.
- (3) Time allocation and planned for few activities could not follow the plan due to some barrier, especially the socio political events at the project areas. The project team needs to meet the best time for the stakeholders to run the participatory activities. The political events such as local leader elections (village, district and even provincial elections) have to some extent affected the project performance.
- (4) The extension activities promoted through the project have taken various forms and not only limited to the specific activities as stated in the project plan “conduct 2 extension activities at the project pilot sites”. The extension activities were carried out also at the same time when the community trainings were taking place, and when the project team met the key stakeholders though Working Group meeting and discussions. Producing and distributing extension media such as brochures, booklets, banners, books of Management Plan and NTFP Small Scale Business Models are the other forms of extension activities promoted in the project. Special agreement with the provincial extension organization (Bakorluh or Badan Kordinasi Penyuluhan or Extension Coordination Agency), participating in the local government expo or field days as well as the media coverage during the project implementation are also part of extension activities carried out in the project.

²One village, Tangga village in Santong, was progressing for getting permit (IUPHKm) when the project identification was taking place. Later on, this village was included in the project based on its natures (at the same forest area with the other 3 villages).

5.4. Time and Project Inputs

Even though, in general the total time required due to implement this project not so much different from the original project plan, but the time to implement some activities are a bit different. For example the schedule contract time to conduct the training activities, to develop the NTFP management plan, and other activities were go beyond the contract time (between two to three months). This difference has been due to the participatory work.

Project inputs such as financial, human resources (participants, consultants), facilities, and others have contributed well to the project implementation and performance. In regard to the human resources, some experts from national level to the local level were invited to support the project, from project design to the implementation of project activities.

5.5. External Influences, Risks and Assumptions

External influences such as the changes of local government policies and personnel have some effect on the project implementation and performance. It was found that during the project design and implementation some personnel have been changed and new personnel take the position. As results, another gap of knowledge and skill need to be addressed again and time and affords are needed to reestablish and shared the project objectives and required skills.

These issues could be the risk points of the project to achieve the project outputs and outcomes – social, economic and environmental changes. The natures of the local politic have led to the high mobility of government personnel where those who support the elected leaders would get promotion while those opposed would be out of the policy making process.

The dynamic of local government, therefore has to some extent against the original *assumptions* that there is a need to have supporting policies from the local government, but not the case for the personnel aspect.

5.6. Project Beneficiaries

The project beneficiaries are those direct and indirectly involved in the project, from the project identification to the project implementation stages. The beneficiaries are the same in the original plan and at the project implementation.

5.7. Project Sustainability

The sustainability of the project are likely to take place as it is found that the sense of ownership to the project has been very high and at the same time the project development and specific objectives as are in-line with the local government and local communities' interest and objectives.

5.8. Institutions Involved

In addition, the local government seems to have adopted the concept of “participatory approach”, and “mainstreaming the utilizations of NTFPs” for their social, economic and environmental goals. As it was found in the project, the local government had produced

local regulations for NTFP management, and supporting the local communities and the community groups, cooperatives, networks and forum to be involved in all activities related to NTFP management, from input sub-system, production and processing and marketing subsystems.

In regard to the institutional support, there have been some issues found such as (1) time and the priorities of the local institutions may sometimes different with the project planned schedules and activities, therefore some adjustment need to be made, (2) personnel – related to the capacity and the changes of personnel during the project design and implementation where to some extent affect the project activities and performance. The changes of personnel (especially those whom have been involved in the project) within some related institutions are something that need to be addressed through some adjustments. Time and efforts need to be spent for this adjustment, and (3) the capacity of local institutions to facilitate community participation, and (4) limited budget of the local institutions has been another barrier for the local institutions to participate in the project implementation, (5) old paradigm of development approaches (top-down and project-based approach) still very strong at the local government institutions.

5.9. Synthesis of the Analysis

a. Specific Objective Achievement	Realized
b. Outputs	Realized
c. Schedule	Realized
d. Actual Expenditures	Below planned
e. Potential Replication	Significantly potential

6. LESSONS LEARNED

6.1. Development Lessons

Project Identification: The project was proposed based on the fact that limited efforts were done to address socio economic and environmental issues of those communities living in and at the surrounding areas of the protected forest. Better management and effective utilization of NTFPs is the proposed option agreed by local communities and local government to improve the livelihood of the local communities. Project was efforts to improve the livelihood of the local communities through improving the capacity of local communities in group and NTFP management. The local communities and local governments provided strong supports at the early stage of this project (during project identification).

Project Design: The project has been designed through participatory approaches, from identification stage, implementation and up to the evaluation and reflection stages. Participatory process has been facilitated at the stage of problem definitions, objectives, outputs, and implementation strategies. The use of focus group discussions, community consultations, the series of workshops from village to the national levels during the project implementation highlighted the importance of stakeholder participation in this project design. Through this approach, the project team learned that the local communities and the local government have a strong sense of ownership to the project that may guarantee for the more likely continuation of the project activities and impacts.

Project Implementation: There was some lesson learned from the project implementation such as the following:

- (1) The local communities and the local governments have been aware of the critical roles of NTFPs for improving the local community livelihood, however NTFPs and their management getting more attentions due to the project activities – as it is indicated by the released of some Bupati decrees.
- (2) Participation is critical to the project performance, but there is a need to develop clear vision among the stakeholders, in particular when the local communities' small scale business enterprises need to be *profitable and sustainable* in utilization of NTFPs.
- (3) Providing the permits to the local communities for managing the forest is not enough. It should be followed by more technical supports such as the utilizations of NTFP sustainably.
- (4) The utilization of NTFPs is not the only task of Department of Forestry, but also the other stakeholders. Therefore, effective utilization of NTFP requires multi-stakeholders involvement such as department of trade and industry, banks, cooperatives, extension organizations, private sectors, research and development agencies, and more importantly the local community.
- (5) The local communities/members recognize the value of their forest better when they have NTFP related enterprises that work. The community base enterprises work well if there is a strong sense of ownership and there is incentive for participation in forest protection and management.

- (6) System approach is needed in dealing with NTFP that the focus of the project should not be only in production component, but also in input and output sub-systems or components.

Factors affecting the project performance: Facilitating community participation through their involvement at all stages of project cycle is not a simple matter to take. Time and commitments are needed to meet all different key stakeholders with their different interest and background. Issues of local politics where the changes of local governments within this era of democratization are some extent affect the effectiveness of participatory approaches taken in this project. During the project implementation, there were some changes took place at the provincial as well as district levels. At the provincial level, there was a change at the Provincial Forestry Services of West Nusa Tenggara (the change of the office head) and few other changes of provincial key personnel. The other changes at the district level may affect the Working Groups and their support to the local communities and their groups. Within this context, there is a need for continuing support and to apply adaptive management to the project.

Continuous Support and Adaptive Management to the Project: Further steps are needed to help the local communities and local government implementing their business and management plan, not only at the existing community groups and the local governments, but also beyond the existing targeted villages and areas. Effective implementation of the small scale economic development models for NTFP management needs a strong and continuous supports from the local, provincial as well as the national governments, private sectors (processing industries), research and development institutions, and others through effective partnerships.

Again, NTFP management is not a simple issue. However, it does represent a significant economic potential for Rinjani and Mutis Timau and the issues cannot be left unaddressed in the long term. The implementation of NTFP programs and the models requires strategic moves, targeting on increasing prosperity producers of NTFPs while attempting to manage forest in sustainable way. Required strategic moves for implementing the models cover six points (i) information dissemination and agreement on the best models that have potential and possibilities of success, (ii) capacity building for stakeholders to support the implementation and effectiveness of the models, (iii) developing action plan and implementation of the models, (iv) supervision and mentoring on the implementation of the models, (v) evaluation, observation, and revision of the models – following “action-learning” approach, which is expected to result in the best performance of the models, and (vi) developing and implementing policies that supports the implementation of the models (i.e. Policy that supports all sub systems of the management of NTFPs, from the sub systems of input/production, processing, and marketing).

Continuing Community base Non timber product Enterprise (CBNE) improvements and concrete enterprise development assistance along the parameters that remain work-in-progress at this juncture, will still be needed, while remaining committed to the vision of empowered CBNEs. Government should further explore the options for regulating the NTFP enterprises in light of (a) its importance for income and employment; (b) the need for sustainable management of the NTFP resource. The government should establish objectives for NTFPs under the local regulations, through sustainable resource management

plans, to guide forest planning and practices where NTFPs are an important local resource for economic and/or traditional uses.

Project Communication, Documentation and Publications: As part of activities to promote community awareness, to communicate the project results, and even to help the local communities and local governments, the project has deliberately communicated and produced some documentation as summarized as bellow.

- (1) August – September 2012, in collaboration with Forest Services Unit of West Nusa Tenggara, the project presented the project documents and approach in regional workshop on Management of HKm in Central of Lombok and North of Lombok.
- (2) In October 2012, a number of articles on local media (*Lombok Post*) exposed program in the field and information which came from WWF’s activities and field results.
- (3) November – December 2012, 500 leaflets and 500 booklets of NTFP products produced and distributed.
- (4) November – December 2012, 500 books of Management Plan of NTFPs produced and distributed.
- (5) November 2012 – February 2013, a number of articles on local media (Lombok Post, NTB Post) exposed program in the field and information which came from WWF’s activities and field results.
- (6) March - April 2013, a number of articles on local media (*Media Pembaharuan and Mandalika Newspaper*) exposed program in the field and information which came from WWF’s activities and field results on NTFP project.
- (7) March – April 2013, in collaboration with Mataram University, SAMANTA and Forest Services Unit of West Nusa Tenggara, the project presented the Development of NTFP project in Nusa Tenggara (lesson learned) in regional workshop on Management of HKm in Mataram.

Business Plan

Model for managing business of NTFPs both in Rinjani and Mutis Timau has been agreed three models, namely: model of group business (KUB), model of cooperative (KSU) and model of network.

Project had facilitated two (2) Business plan in the area project namely:

a. Business plan KUB Kemiri “Due Bareng”, Mumbul sari village, North Lombok,

Community group (KUB) Candlenut “Due Bareng” was established in January 19th, 2013 in Salut Village, Kayangan, North Lombok. The establishment was based on the reality that the selling prices of NTFPs candlenut from the farmers were still far from optimal. Thus, KUB hoped to have the ability to become a group that is striving forward, independent, successful, and making the community prosperous.

There are 4 villages in Kayangan District, Lombok Utara Regency, that have long been well known for producing candlenut. They are Mumbul Sari, Tangga, Akar-akar, and Salut Village. Based on the calculation of local farmers, the total amount of candlenut produced by those 4 villages could reach 164 tons per year, with Tangga Village producing the largest number.

The increase of candlenut usage for various purposes in the culinary and food industries has continuously increased its price each year. For example, its price per kg in 2009 was Rp5,000 (US\$0.5) locally, while as of 2012, its price rose to Rp. 6,750 (US\$0.67).

According to the calculation of the farmers who are the committee of KUB “Due Bareng,” candlenut production capacity for each month (in tons) within a year, starting from May 2013 to mid-2014 can be projected as follows:

2013 (Ton)								Total	2014 (Ton)				Total
May	June	July	Augst	Sept	Oct	Nov	Dec		Jan	Feb	March	Apr	
10	12	18	36	36	28	14	8	162	7	6	4	1	18

Note :

1. Production period lasting for a month means that the harvesting and storing period lasts for 3 weeks while the selling is done on the last week of that month. The production cycle could be shortened if the price is good. The liquid capital must at least reach Rp. 67,500,000 (US\$6,750) for buying 10 tons of candlenut. The result of the selling in the first month automatically becomes the capital in the second month.

In accordance with the target price for candlenut, which is Rp 8,600 per kg, the profit obtained by KUB could reach Rp 14,955,950 (US\$1,500) per ton. With the same assumption, the profit projection for 2013 season (peak season) can be calculated as follows:

TAHUN 2013 (Ton)							
May	June	July	August	Sept	Oct	Nov	Dec
14.955.950	17.947.140	26.920.420	53.841.420	53.841.420	41.876.660	20.938.330	11.964.760

Based on the production and marketing plans as well as the projected profit target can be obtained, KUB plan loan of Rp. 70 million (US\$ 7.000) with 2% interest for 10 months and refund the installments to be paid Rp. 7.140.000/month.

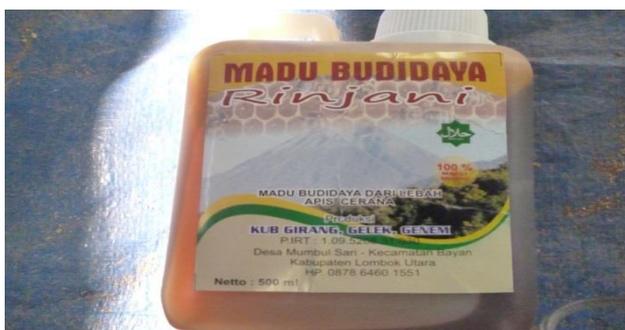


Candlenut KUB “Due Bareng,”

b. Business plan KUB Networking Honey “Girang, Gelek, Genem, Salut village.

KUB Girang, Gelek, Genem (3G) KLU is networking organization that was established in December 5th, 2012. Its home office is in Belencong Hamlet, Mumbul Village, Bayan District. As a web, it governs 6 villages. They are Selengen, Salut, Mumbulsari, Akar-akar, Sukadana, and Senaru Village.

The community around the forest has actually had the ability to cultivate bees for their honey. Based on the production description, compared to the other districts, bee cultivation of Bayan District is the highest in number per beehive (stup). Other districts besides Bayan could only produce 2 bottles per beehive (stup) per year, while Bayan District could produce 3 bottles per stup per year. This is also what underlies the intention of Mumbulsari Village and 5 other villages around it to unite their vision in organizing their manpower and resources to grow bee cultivation so that it can be more prestigious and the apiarists could become more prosperous.



Honey KUB Girang Gelek Genem



Farmer pick honey stup

According to the data gathered by KUB Network committee, in Mumbulsari Village (especially in Belencong Hamlet), there are 30 apiarists who have in 285 beehive (stup). One stup could produce ½ bottles a day. Going with that calculation, the amount of honey produced in the next 9 months starting from April 2013 can be projected as follows:

2013 (Ton)								
April	May	June	July	Augst	Sept	Oct	Nov	Dec
60	163	171	285	200	120	60	24	12
Note : 1. Production period lasts for one month and it could produce 285 stup. A normal production cycle for each beehive (stup) occurs every 2 months. 2. Each stup is filled with 8 rows of honeybees with the average production of 3 bottles a day or 663 ml.								

According to the calculation of the selling of 1,095 bottles from 285 stup that sold for Rp100,000 a bottle (US\$10 per bottle), the profit gained by KUB Honey Web is Rp48,802,313 per 9 months of production period. Going with the same assumption, the projected profit for each bottle is Rp 44,568 (US\$4.5) and projected monthly profit would be:

2013 (Ton)								
April	May	June	July	August	Sept	Oct	Nov	Dec
60	163	171	285	200	120	60	24	12
2.674.080	7.264.584	7.621.128	12.701.880	8.913.600	5.348.160	2.674.080	1.069.632	534.816
Note : Projected monthly is acquired by calculating the profit for each honey bottle, that is the total amount of net profit within 9 months (Rp48,802,313) divided by the total amount of bottle produced (1,095 bottles), resulted in Rp44,568 (US\$4.5) of net profit per bottle.								

Based on the production and marketing plans as well as the projected profit target can be obtained, KUB plan loan of Rp. 40 million (US\$ 4.000) with 2% interest for 10 months.

Project Monitoring and Evaluation: Monitoring and evaluation for the project progress and achievement have been done regularly through various mechanisms such as project management meeting at the local level as well as at the national level (PCM). Some progress, achievements and issues were presented and discussed. Corrective measures were also part of this monitoring and evaluation meeting. At the field level, monitoring and evaluation of the project progress and achievements were also done through extensive and intensive communication between the project management unit and local group and community leaders through field visit and discussion as well as through phone calls.

Flow of Fund: The project fund has been used effectively following the ITTO guidelines and the schedules of activities stated in the project documents and agreement. The flow up fund has supported the project implementation and the project performance.

6.2. Operational Lessons

Dilemma of Participation: There is no substantial operational matters faced during the project implementation that led to the less significance differences between the project plan and the implementation stage. The only matter is the proper time and schedule to do activities such as group meetings, consultation, seminar and workshops. Due to the participatory natures of this project, the activities need to be carried out at the best time to all key stakeholders, and as results, the project implementation is different from the planned schedules.

Other External Factors Influence the Activity Implementation: Project implementation has also been affected by the local leader elections, not only at the village level, but also at the district as well as the provincial levels. Political affiliation of some local leaders may to some extent affect the project implementation and performance.

7. CONCLUSIONS AND RECOMMENDATIONS

7.1. Conclusions

Identification: The participatory approaches used at the stage of project identification have contributed to the performance of the project and the achievement of the project objectives. Community and government involvement at the project identification stage through focus groups discussion and consultations has helped to create senses of ownership to the project.

Design: Participatory approaches applied to the project design have had significant contribution to the project implementation and performance. Most activities and strategies that were planned could be implemented well done to the participation or the involvement of all project beneficiaries, especially the local communities and the local government. However, time and strong commitment is needed to do the activities that met the best time and place for the beneficiaries.

Implementation: Overall, the project was implemented well with few differences from the original project plan. Activities listed in the project strategies for every stated out puts were carried out properly on time, adequate frequencies, and proper involvement of project beneficiaries. The sequence of the project implementation activities are as follows: (1) project preparation – inviting consultants, (2) training activities to improve the capacity of local communities and government staff in community organizations and NTFP management – which was consisted of research activities, module development and actual training, (3) participatory development of NTFP management plan – that was consisted of research activities to collect relevant and required data, and a series of meeting, consultations and workshop to develop and finalize two the management plans of NTFPs in Central and North Lombok districts, (4) developing of small scale economic models of NTFP management – which was consisted of research activities and model construction and finalization, (5) intensive consultations with local government for the policy analysis to support NTFP management and the importance of involving local communities in the decision making process, (6) pilot implementation of NTFP small scale economic models or Community base Non timber forest product enterprises (CBNEs) in the targeted areas – Salut and Mumbulsari villages (in the North Lombok), NTFP Processing and Marketing Forum in Setiling (Central Lombok), and Honey Production and Marketing Network (JMM) at Fatumnasi and Nenas villages in Timor Tengah Selatan or Central South Timor district (Mutis Timau Protected Area).

Outputs and outcomes: Post-project performance evaluation demonstrates that the project outputs have been materialized as they were expected in the project proposal document. The capacity of local community to participate in NTFP management has been increased (**output 1**), and the NTFP Management Plans have been adopted and implemented by the local government of Central and North Lombok districts (**output 2**). Moreover, the project has had further impacts to local communities and local governments where these main beneficiaries have taken further steps in utilizing NTFP for improving the community livelihood. At the community level, community organizations such as groups, forum and networks have been established by the local community themselves while at the government level, the Working Groups (POKJA) and special regulations for NTFP management have been established and released. The groups and the NTFP

Network/Forum even have started their business activities in NTFP production, processing, and marketing following their agreed business plans.

The critical achievements of this project had been due to the strong commitment of the local communities and local governments in mainstreaming the importance of NTFPs for their economic development. Supporting policies and budget allocations for NTFP management are the proof of this strong commitment and bring the NTFPs into the local economy.

7.2. Recommendations

Identification: Further steps are needed to support the existing achievement, especially to support the work of district level Working Groups and the local community organization to implement their business plan. By the completion of this project, Activities of KUB Honey business plan “Girang, Gelek, Genem” and KUB Candlenut "Due Bareng" has not seen significantly due to the implementation of the KUB business plan, because their business plan started in May 2013. Moreover, the lack of capital can also be barrier of their business plan. Technical supports to improve more knowledge and skills in all subsystems of NTFP management are needed, not only at the community level but also at the government level. Participatory process is needed to identify the future needs of these beneficiaries.

Design: Learning from this project, participatory approaches to the project design remains critical to the project success, not only in the project identification and conceptualization stage, but also in the project implementation and evaluation stages. The involvement of all key stakeholders at all stages of the project cycle has not only promoted strong awareness and sense of ownership to the project, but also promoted strong commitment and responsibility to the project activities and outputs. There is a need to design a new project to scaling up and to further help the local community and local government to reach the ultimate goals of the project – the social, economic and environmental changes at the target communities and the protected areas. More value chain analysis is needed to help local government identify the strategic interventions to support more profitable management of NTFPs for local community livelihood improvement.

Implementation: The implementation of some project activities and outputs such as the NTFP Management Plan, groups’ business plans, the small scale business enterprises has not been fully observed and monitored, and as results, the project has not provided a full clear evidences of the achievement of it ultimate development objectives – “Sustainable forest utilization practices in Mt Rinjani and Mutis Timau Protected Area (PA), Nusa Tenggara”. Therefore, it is needed to take strategic follow up actions to support the local communities and governments get to this objective. More supports are needed especially on *NTFP processing and marketing* without neglecting of course the conservation and the production aspects the NTFPs.

Outputs and outcomes: To guarantee the sustainability and the usefulness of the project outputs and outcomes, there is a need to take follow up actions to facilitate the existing community groups and networks to develop partnership with marketing and processing industries as well as the local government. Clear definitions of rules and responsibilities are

needed. The existing success story needed to be shared with the other communities and governments in other forest protected areas.

Responsible for the Report

Jakarta, October, 31st 2013
Project Coordinator



Sahala Simanjuntak

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ANNEX 1: PROJECT FINANCIAL STATEMENT

Project No. PD 521/08 Rev. 3 (I)

Period Ending on: August 31st, 2013

Project Title: Participatory forest management for sustainable utilization of Non Timber Forest Products (NTFP) surrounding the protected area of Rinjani and Mutis Timau Mt, Nusa Tenggara, Indonesia

Component	Original	Modified Approved	Expenditures To-date			Available Funds (E) (A-D)
			Accrued (B) a/	Expended (C)	Total (D) { B + C }	
I. Funds managed by Executing Agency						
10. Project Personnel						
11. International Consultant(s)	\$ 10,000.00	\$ -		\$ -	\$ -	\$ -
12. National Consultant(s) (short term)	\$ 45,000.00	\$ 26,500.00		\$ 25,265.09	\$ 25,265.09	\$ 1,234.91
15. Other Personnel/laborer	\$ 2,850.00	\$ 2,850.00		\$ 2,342.15	\$ 2,342.15	\$ 507.85
- Project Coordinator	\$ 48,000.00	\$ 56,000.00	\$ 2,000.00	\$ 54,000.00	\$ 56,000.00	\$ -
- Field Coordinator	\$ 36,000.00	\$ 42,000.00		\$ 41,985.46	\$ 41,985.46	\$ 14.54
- Secretary	\$ 15,000.00	\$ 13,750.00		\$ 13,750.00	\$ 13,750.00	\$ -
- Finance staff	\$ 18,000.00	\$ 21,000.00		\$ 20,993.43	\$ 20,993.43	\$ 6.57
- Technical staff (3)	\$ 50,400.00	\$ 55,100.00		\$ 55,044.88	\$ 55,044.88	\$ 55.12
19. Component Total:	\$ 225,250.00	\$ 217,200.00	\$ 2,000.00	\$ 213,381.01	\$ 215,381.01	\$ 1,818.99
20. Sub-contracts						
21. Sub-contract (with A)	\$ 100,000.00	\$ 95,000.00		\$ 91,342.15	\$ 91,342.15	\$ 3,657.85
29. Component Total:	\$ 100,000.00	\$ 95,000.00		\$ 91,342.15	\$ 91,342.15	\$ 3,657.85
30. Travel						
31. Daily Subsistence Allowance	\$ 13,500.00	\$ 13,000.00	\$ 27.46	\$ 12,720.13	\$ 12,747.59	\$ 252.41
32. International Travel	\$ 2,000.00	\$ -		\$ -	\$ -	\$ -
33. Local Travel	\$ 21,500.00	\$ 26,000.00	\$ 411.94	\$ 25,245.58	\$ 25,657.52	\$ 342.48
33. National cost/Travel	\$ 20,300.00	\$ 24,650.00	\$ 1,392.18	\$ 13,749.06	\$ 15,141.24	\$ 9,508.76
39. Component Total:	\$ 57,300.00	\$ 63,650.00	\$ 1,831.58	\$ 51,714.77	\$ 53,546.35	\$ 10,103.65
40. Capital Items						
43. Capital equipment	\$ 5,000.00	\$ 5,000.00		\$ 4,295.16	\$ 4,295.16	\$ 704.84
49. Component Total:	\$ 5,000.00	\$ 5,000.00		\$ 4,295.16	\$ 4,295.16	\$ 704.84
50. Consumable Items						
52. Raw Materials	\$ 2,500.00	\$ 2,500.00		\$ 2,381.80	\$ 2,381.80	\$ 118.20
53. Utilities	\$ 5,500.00	\$ 6,200.00		\$ 4,971.35	\$ 4,971.35	\$ 1,228.65
54. Office Supplies	\$ 8,500.00	\$ 11,000.00	\$ 915.42	\$ 9,607.88	\$ 10,523.30	\$ 476.70
59. Component Total:	\$ 16,500.00	\$ 19,700.00	\$ 915.42	\$ 16,961.03	\$ 17,876.45	\$ 1,823.55
60. Miscellaneous						
61. Audit	\$ 4,000.00	\$ 4,000.00	\$ 1,500.00	\$ 2,500.00	\$ 4,000.00	\$ -
62. Others	\$ 7,500.00	\$ 11,000.00	\$ 201.82	\$ 10,322.22	\$ 10,524.04	\$ 475.96
69. Component Total:	\$ 11,500.00	\$ 15,000.00	\$ 1,701.82	\$ 12,822.22	\$ 14,524.04	\$ 475.96
Project development/Preparation	\$ 3,500.00	\$ 3,500.00	\$ -	\$ 3,467.38	\$ 3,467.38	\$ 32.62
70. Project Monitoring & Administration						b/
71. ITTO Monitoring and Evaluation	\$ 20,000.00	\$ 20,000.00				b/
72. Ex-post Evaluation	\$ 15,000.00	\$ 15,000.00				b/
73. Programme Support Costs	\$ 36,324.00	\$ 36,324.00				b/
79. Component Total:	\$ 71,324.00	\$ 71,324.00				b/
100. GRAND TOTAL:	\$ 490,374.00	\$ 490,374.00	\$ 6,448.82	\$ 393,983.72	\$ 400,432.54	\$ 89,941.46

ANNEX 2: PROJECT CASH FLOW STATEMENT

Project No. PD 521/08 Rev. 3 (I)

Period Ending on: August 31st, 2013

Project Title: Participatory forest management for sustainable utilization of Non Timber Forest Products (NTFP) surrounding the protected area of Rinjani and Mutis Timau Mt, Nusa Tenggara, Indonesia

Component	Reference	Date	Amount	
			in US\$	Local Currency/IDR
A. Funds received from ITTO:				
1. First installment		June 3, 2011	142,000.00	1,287,656,000.00
2. Second installment		June 6, 2012	83,000.00	783,520,000.00
3. Third installment		October 30, 2012	128,000.00	1,226,240,000.00
4. Fourth installment		August 20, 2013	66,050.00	690,288,550.00
Sub Total A1			419,050.00	3,987,704,550.00
Total Fund Received (A)			419,050.00	3,987,704,550.00
B. Expenditures by Executing Agency:				
10. Project Personnel				
11. International Consultant(s)			-	-
12. National Consultant(s) (short term)			25,265.09	230,663,000.00
15. Other Personnel/laborer			2,342.15	22,546,750.00
- Project Coordinator			54,000.00	507,217,000.00
- Field Coordinator			41,985.46	388,230,920.86
- Secretary			13,750.00	127,038,125.00
- Finance staff			20,993.43	195,572,336.25
- Technical staff (3)			55,044.88	514,307,070.89
19. Component Total:			213,381.01	1,985,575,203.00
20. Sub-contracts				
21. Sub-contract (with A)			91,342.15	877,015,060.00
29. Component Total:			91,342.15	877,015,060.00
30. Travel				
31. Daily Subsistence Allowance			12,720.13	125,288,900.00
32. International Travel			-	-
33. Local Travel			25,245.58	242,438,956.00
33. National cost/Travel			13,749.06	128,970,940.00
39. Component Total:			51,714.77	496,698,796.00
40. Capital Items				
43. Capital equipment			4,295.16	38,386,000.00
49. Component Total:			4,295.16	38,386,000.00
50. Consumable Items				
52. Raw Materials			2,381.80	22,897,083.00
53. Fuel and Utilities			4,971.35	44,793,745.81
54. Office Supplies			9,607.88	82,794,712.77
59. Component Total:			16,961.03	150,485,541.58

60. Miscellaneous				
61. Audit			2,500.00	24,106,000.00
62. Others/Meetings			10,322.22	106,738,398.19
69 Component Total:			12,822.22	130,844,398.19
Project development/Preparation			3,467.38	26,138,500.00
Sub Total B			393,983.72	3,705,143,498.77
Total Expenditures :			393,983.72	3,705,143,498.77
Remaining Balance of Funds (A-B):			25,066.28	282,561,051.23