

# INTERNATIONAL TROPICAL TIMBER ORGANIZATION

## ITTO

### PROJECT DOCUMENT

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
SERIAL NUMBER	PD 521/08 Rev.3 (I)
COMMITTEE	FOREST INDUSTRY
SUBMITTED BY	GOVERNMENT OF INDONESIA
ORIGINAL LANGUAGE	ENGLISH

#### SUMMARY

Nusa Tenggara is one of 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 area 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 resource for enhanced livelihood of the community and to conserve the protected area.

The aim of the proposed project is to improve participation of local communities on sustainable utilization of NTFPs for conservation benefit of the Rinjani and Mutis Timau Mountains Protected Area (PA) which is in compliance with ITTO Policy Development Series No 15 (Criteria and Indicator for the sustainable management of tropical forest). The result of the project will contribute to sustainable management of the protected area in Nusa Tenggara Indonesia. The project will achieve two outputs: Output (1) Capacities of local communities increased in obtaining the permit for utilizing NTFP's. This will be achieved by conducting series of trainings on sustainable utilization of NTFP's in 9 villages around the protected area (providing technical and managerial skills including entrepreneurship); Developing Model for small-scale forest economy dealing with 10 commodities of NTFP's for income generation of local communities; and conducting series of extensions for improving awareness of ESE (Economic, Social and Ecological) benefits of Protected Area. Output (2) Management plan for the more economically viable of NTFP's elaborated. The project will develop management plan using updated and reliable information through participatory process; Conducting 3 series of intensive consultation with local stakeholders in formulating NTFP utilization policy; and developing options of economic incentives for local communities to participate in conservation of PA and sustainable utilization of NTFP's.

EXECUTING AGENCY Directorate General of Land Rehabilitation and Social Forestry, Ministry of Forestry in collaboration with WWF Indonesia Program Nusa Tenggara and Forestry Service of West Nusa Tenggara Province

DURATION 24 MONTHS

APPROXIMATE STARTING DATE TO BE DETERMINED

BUDGET AND PROPOSED SOURCES OF FINANCE	Source	Contribution in US\$
	<b>ITTO</b>	<b>490,374</b>
	DG of Land Rehabilitation and Social Forestry	31,200
	WWF and Forestry Service of West Nusa Tenggara Province	96,000
	<b>TOTAL</b>	<b>617,574</b>

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## PART I: CONTEXT

### 1. 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.

Although scarce and fragmented, Nusa Tenggara's forests are important at the local, regional and international levels. At the local level, communities use forest areas as grazing lands for livestock and collecting fuel wood. Given Nusa Tenggara's arid climate, forested areas play a critical regional role as water catchment areas, because of their location in the steep, mountainous interior. The unique ecology of forested areas and their high level of endemic species and biodiversity lend international importance to their conservation.

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. Out of 80 villages at the surrounding protected area of Rinjani, less than 15 have obtained permits for utilization of non timber forest products from the protected area. These permits are awarded by the concerned local authority through village cooperatives and issued by the Regent through a regional regulation. However, not all of those cooperatives (*koperas*) that have obtained permits are able to conduct operations in the field because they have limited capacities in utilizing the non-timber forest products sustainably. Obtaining the utilization permit is in itself a serious problem for local communities because the communities do not have the capacity to establish cooperatives as required by law and PERDA (the local provincial government regulation). Also the regulations governing the utilization of NTFP's are complicated.

In the meantime, 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.

If 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 encroaching the forests as they will receive economic incentives for their participation in sustainable utilization of NTFP's. This will lead also to the conservation of the protected area. It is absolutely

necessary to give the local community access and provide opportunity to participate in utilizing sustainably NTFP's if these protected areas are to be secured and conserved.

Lack of capacity and skills have 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 NTFP's 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 a more effective policy frameworks to support sustainable utilization of NTFP's through involvement of local stakeholders and communities.

The proposal submitted to the ITTO is to improve participation among relevant stakeholders, in particular local communities, for sustainable utilization of NTFP's 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 this decision-making process.

## **2. 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.

Besides, three districts in Lombok Island have issued local government regulation 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.

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

In line with Indonesian government efforts to achieve sustainable forest management, the Ministry of Forestry has announced five priority programs (Based on Strategic planing of Ministry of Forestry 2006-2009) namely (1) Combat Illegal Logging, (2) Rehabilitation and Conservation of the forest resources, (3) Increase Efficiency of forest industry (4) **Empowerment of the economy of communities living within and around forest** (5) Forest Land use Planning. The implementation of the five-priority programs is to be done through 3 (three) strategies of social forestry program: utilization, rehabilitation and conservation.

In Nusa Tenggara region, and in line with the Indonesian Government efforts to achieve sustainable forest management through Five Main Priority Program of the MoF (2004-2009), three major programs have been prepared to empower the economy of communities living inside and around forest areas, those are:

- a. Improvement of the conditions for small and medium scale business as well as community access to forest resource.
- b. Provision of assurance for availability of raw material for small and medium scale forest industries.
- c. Promotion of community's economic empowerment.

Some activities related to the development of NTFP's utilization in the Nusa Tenggara region has been carried out to ensure the sustainable forest utilization such as:

1. In 2003 WWF Nusa Tenggara supported by the Ford Foundation, RUPES, Forestry Department of NTB Province and local partners has facilitated the establishment of environmental service scheme in West Lombok District and Mataram City. They share the common interests in environmental services from Rinjani watershed that provides water for agriculture, domestic and other uses. Since reward mechanism requires an institutional framework that builds on local capacity, the effort is also directed to help strengthening a newly established ES intermediary body known as a foundation Institusi Multi Pihak (IMP). A management plan of IMP has been developed through a participatory process involving key stakeholders. The plan will guide the IMP how to manage funds for implementing conservation and development project together with the community in Rinjani watershed.

2. WWF Indonesia has actively involved in community based natural resources management in the field including participatory research and mapping, awareness raising, and biodiversity conservation in Rinjani and Mutis Timau mountains.
3. Some research works have been done for rapid hydrological assessment (AHR) in Rinjani and Mutis Timau mountains by the Forest Research and Development Agency (FORDA), and the World Agroforestry Center (ICRAF), Bogor.
4. In 1999-2000, Dodokan Moyosari Watershed Management Center supported by OECF in collaboration with Forestry Department of NTB Province and Department of Forestry of each district has established social forestry in West-, Central- and East Lombok districts.
5. In 1993-1996, Forestry Department of NTB Province in collaboration with some local NGOs has established social forestry in Santong and Sesaot (West Lombok).
6. In 2004-2006, Forestry Department of NTB Province supported by DFID in collaboration with local NGOs has established a model of community based forest management aiming at managing candle nut forest in Parado (Bima District).
7. In 2002-2006 Forestry Department of NTB Province supported by JIFPRO, Japan has established a model of community based forest management through agroforestry practice in Rembitan (Central Lombok) and Sekaroh (East Lombok).

Experiences gained in those programs and activities will enrich and support the implementation of the proposed project.

## PART II: THE PROJECT

### 1. Project Objectives

#### 1.1 Development Objective

To promote sustainable utilization of Non Timber Forest Products (NTFPs) in the protected area, Nusa Tenggara Indonesia

#### 1.2 Specific Objective

To improve participation of local communities in promoting sustainable utilization of NTFP's for the conservation benefit of Mt Rinjani and Mutis Timau Protected Area (PA)

### 2. Justification

#### 2.1. Problems to be addressed

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 healthcare, 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 NTFP's 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 NTFP's utilization based on communities is regarded as a viable solution. It is also recognized that community participation for the sustainable utilization of NTFP's 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.

Table 1 presents an analysis of dependency on stakeholders for project implementation and also for sustainability of the intervention upon completion of the project.

Table 1. Stakeholders analysis

<i>Stakeholders</i>	<i>Problems</i>	<i>Interest</i>	<i>Potential</i>	<i>Involvement in project activities</i>
Local communities	<ul style="list-style-type: none"> <li>• Previous policy has not allowed fair benefit sharing for local communities who participate in the conservation of PA</li> <li>• Lack of capacity and participation in managing fair benefit sharing of forest resources (NTFP)</li> </ul>	<p>Improve knowledge and participation in the decision-making process for sustainable forest utilization at field level</p> <p>Provide an economic incentive framework for local communities</p>	<p>Beneficiaries of the project mainly in term for economic activities from utilization of NTFP</p> <p>Skills and knowledge are improved in the processing and marketing of NTFP</p>	<p>Local communities will be directly involved in many project activities to achieve particularly project output 1.</p> <p>Contribution and involvement in internal project planning and evaluation</p> <p>Involvement in training activities such as TOT (Training for Trainers) and extensions also developing economy model in pilot village</p> <p>Participate in the improvement/formulation local government regulation such as processing permit for utilizing NTFP's</p>
Ministry of Forestry	Lack of capacity in integrating macro planning for Non Timber Forest Product	Develop an efficient model to implement effective sustainable resource to replicate in other similar area in Indonesia	Involved at national level strategy in policy framework	<ul style="list-style-type: none"> <li>• National Strategy and National commitment for sustainable resources mainly for non timber forest product</li> <li>• Take a lead in project implementation and operational activities together with Watershed Management Unit in West Nusa Tenggara</li> </ul>
Provincial government (4 pilot districts)	<ul style="list-style-type: none"> <li>• Lack of capacity to integrate policies/planning</li> <li>• Ineffective policy and economic and legal frameworks in sustainable management of NTFP resource</li> <li>• Lack of coordination with districts and field level</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the coordination with relevant parties</li> <li>• Harmonize policy and formulate economic framework</li> <li>• Socialize new government regulation</li> <li>• Strengthen institutional and human resources in management of NTFP resource</li> </ul>	<p>Coordination among relevant stakeholders</p> <p>Formulation of effective planning for the sustainable forest utilization and conservation of the PA</p>	<p>As collaborating Agency at province level.</p> <p>Involve in operational activities of the project</p> <p>Facilitate data and information including existing policy and regulations at province level related to the protection forest management</p>
Districts Government (4 pilot districts)	<p>Lack of coordination with provincial and national level in forestry policy framework for Sustainable utilization of NTFP</p> <p>Lack of capacity in forest resource utilization</p>	<p>Inter-institutional coordination</p> <p>Exchange information</p> <p>Improve capacities</p>	<p>Having Authority at District level to adopt adjusted policy</p> <p>Having willingness to adopt policy for sustainable utilization of NTFP</p> <p>Having resource to</p>	<p>Involve in operational activities of the project mainly to achieve output 2. "Elaborated Management Plan for more economically viable NTFPs"</p> <p>Contribution and involvement in internal project operational</p>

<i>Stakeholders</i>	<i>Problems</i>	<i>Interest</i>	<i>Potential</i>	<i>Involvement in project activities</i>
	program/planning		implement some activities	planning and evaluation  Facilitate data and information including existing policy and regulations at districts level related to management of protection forest
University and Forest Research Institute	Lack of technology to gain important data and information Limited network	<ul style="list-style-type: none"> <li>• Develop System information database for NTFP market</li> <li>• Improve network with relevant research parties</li> </ul>	Potential in providing data and information related to NTFP (market) from Nusa Tenggara region	Contribution in reviewing and analyzing some matters related to NTFP development strategy
NGO/WWF Local NGO	Lack of skills for village development	<p>Actively involved in implementing rural development and awareness improvement</p> <p>As Mediator for conflict resolution in the field</p>	Experience working with communities in villages	Benefited by improving experience of working with villages and communities Involve in field/operational activities related to communities development, income generating activities, continue and expand the initiatives and sub-contract

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: (see problem tree):

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

Sub causes:

1. Low capacities of local communities in implementing sustainable use of NTFP's for conservation benefit of Protected Areas because of:
  - (a) Lack of knowledge and skills in implementing sustainable use of NTFP's for Conservation benefit of PA

There is very little (or limited) involvement of local communities of upland areas of Nusa Tenggara in implementing a sustainable utilization practice because of limited knowledge and skills. Despite the fact that a Community Development Consortium was established, the active participation of the local community and the relevant parties in utilization of NTFP activities was not effective. In order to involve communities in the management of protected areas they require additional skills, knowledge, and attitudes which can foster and maintain this participation.

- (b) Lack of entrepreneurial experiences in NTFP utilization.

The establishment of viable models of small-scale enterprise dealing with NTFP's for income generation for local communities within the sub-district or *Kecamatan* level, and preferably also within the village system, is needed. A model small scale enterprise can be used as a pilot project for other districts in Nusa Tenggara region in implementing participatory forest utilization for sustainable forest resource and for the conservation of protected area. This will lead to sustainable income for communities around the forest

- (c) Lack of awareness of ESE (Economic, Social and Ecological) benefits of Protected Area.

People in the islands are highly dependent on forest and non-forest products and also depend on PA ecosystems for water supply. However, these communities have a poor understanding of the value of PA for conservation and for maintenance of water supply. This lack of awareness of local people in protecting forest areas results in unwillingness to participate actively in the initiative to manage and utilize forest resource in a sustainable manner.

Therefore some extension work is needed for local communities to improve their knowledge of ESE benefits for PA as the area for regular water supply for the island of Timor.

- (2) Weak local institutional capacity in formulating policy on sustainable utilization of NTFP's for conservation benefits of PA because:

- (a) Management plan for sustainable utilization of NTFP's for benefit conservation of PA is not available.

Adequate operational planning and effective monitoring and control are essential for achieving sustainable forest management. However, a management plan for sustainable utilization of NTFP's is not available. The baseline information (physical, ecological and socioeconomic) is still insufficient for this purpose. In addition, collaboration among key local government agencies, NGOs and local communities is needed to develop a comprehensive plan. However, the local institutional capacity to develop a management plan for sustainable utilization of NTFP in Nusa Tenggara region also limited mainly at district level.

- (b) Lack of stakeholders participation in policy decision making process.

Past experience has shown that forest management is most successful where key stakeholders and/or communities living close to the forest are involved in the management. The degree of involvement of relevant stakeholders varies widely but a consultative approach will be used to give opportunities to the stakeholders involved in the decision-making process. To be able to be involved they require skills, knowledge, and experience. Local government will stimulate local community participation in maintaining sustainable utilization of NTFP's to protect forest area. To be meaningful, participation must be beneficial for the communities and for the long-term conservation.

Through the Community Development Consortium (NTCDC) which was created in 1990 the stakeholders participation will be strengthened. This organization will be involved in developing programs and activities through a consultative approach. 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.

- (c) Lack of economic incentives for local communities to participate in conservation of PA and sustainable utilization of NTFP's.

One of the most important requirements for the sustainable forest resource management to succeed is the availability of incentives and appropriate economic instruments that promote the NTFP resources. At this point in time, the management of utilization of NTFP's through cooperative (*koperasi*) is still complicated. A policy framework for managing a suitable economic incentive package for supporting sustainable utilization of NTFP's has not been developed.

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: District Lombok Barat District Lombok Utara , District LombokTengah and Timor Tengah Selatan district in East Nusa Tenggara province.**

**As mentioned in the beginning, the local community could utilize non-timber forest products collected from the protected area as a source of income supplement. These permits are awarded by the concerned local authority through village cooperatives. The number of cooperatives in the villages in the vicinity of Mt Rinjani and Mt Mutis has not yet been updated, however as a general picture it can be said that the number of persons who are members of cooperatives in a village is around 400-500.**

**Villages in the vicinity of Mt Rinjani and Mt Mutis that will be included into project sites are:**

1. **In the area near Mt Rinjani will be selected:**

- **Two village in the western part that are directly adjacent to the Protection Forest which is Bantan village and Setiling village , sub district Batu Kliang , District of Lombok Barat.**
- **Two villages in the northeastern part, directly adjacent to the Production Forest ; Sedau village , sub district Narmada and Santong village , sub District Kayangan , District Lombok Utara**
- **One village in the central part, which already has a cooperative institution and has acquired NTFP's Utilization permit, in District Lombok Tengah.**

2. **In the Mt Mutis area, one village will be selected, which are directly adjacent to the Nature Reserve and Protection Forest of Mt Mutis, that is Nenas village , sub District Moloutara, Timor tengah Selatan District.**

**The choice for target villages area based on the following considerations:**

- **Community institutions of the villages in the vicinity of forest – among others cooperatives – has already been established.**
- **Represents the characteristics of the region, status and function of the forest, and has relatively high dependency on forest area and ease of access.**
- **Part of forest area reserved by the Ministry of Forestry for empowering forest resources in cooperation with communities including utilization of non-timber forest product**

See the problem tree structure

## 2.2. Intended situation after project completion

The project will achieve two outputs (see objective tree):

**Output (1); Capacities of local communities in obtaining permits for utilizing NTFP's increased.** Capacities of local communities in implementing sustainable utilization of NTFP's and conservation of Protected Area and to establish cooperatives as required by law and according to PERDA (the local provincial government regulation) will be improved in target villages. This will be achieved by (a) conducting series of training on sustainable utilization of NTFP's in protected area (providing technical and managerial skills including entrepreneurship); (b) developing a model for small-scale forest economy dealing with NTFP's for income generation of local communities (providing information about marketable and extractable NTFP's and introducing technologies for efficient utilization of selected products); (c) conducting extensions for improving awareness of ESE's benefits for Protected Area;

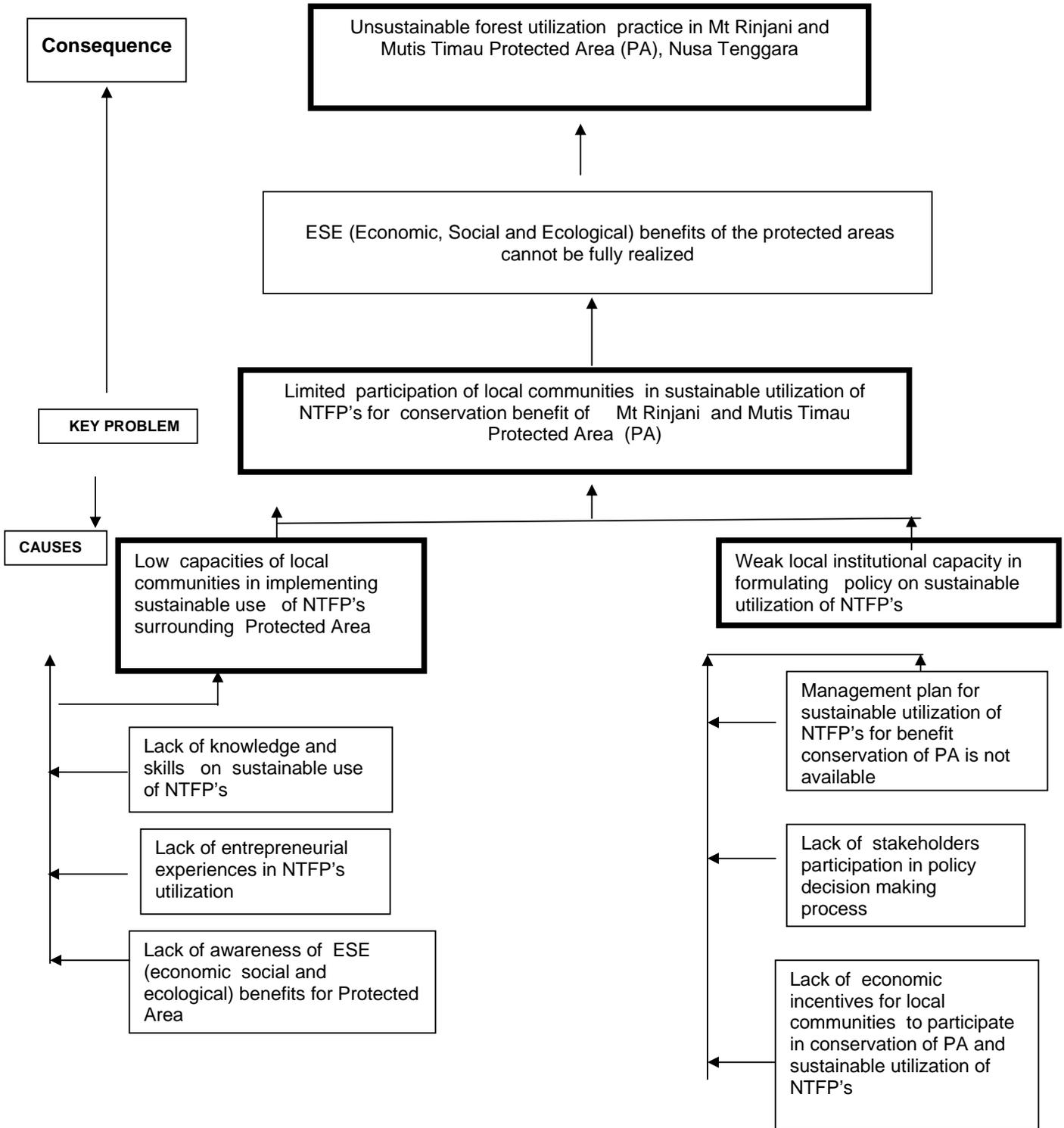
**Output (2); Elaborated management plan for the more economically viable NTFP's.** Local institution capacity on sustainable use of NTFP's will be enhanced. The project will (a) develop management plans using updated and reliable information through a participatory process, (b) conduct series of intensive consultation with local stakeholders in formulating NTFP's utilization policy and (c) develop economic incentives options for local communities to participate in conservation of PAs and sustainable utilization of NTFP's.

### **Expected outcomes at project completion**

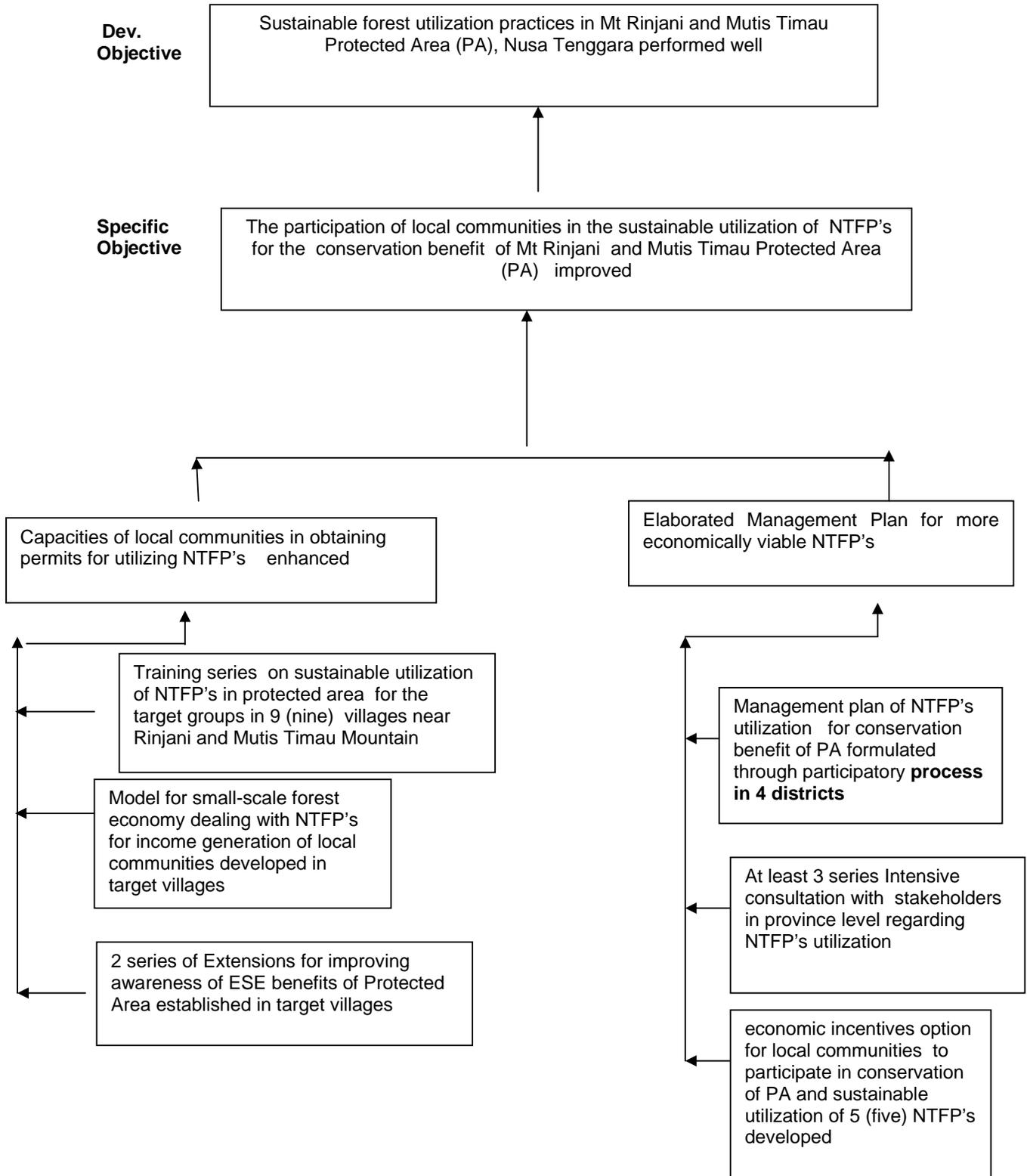
**After project completion, it is expected that participatory forest management for sustainable utilization of NTFP resources and conservation of protected areas will be implemented.**

**Local communities in the vicinity of Moun Rinjani and Mount Mutis able to participate in the sustainable utilization of the forest resources surrounding the protected area. Through the participation of local stakeholders in the utilization of NTFP's for the conservation benefit of PA, the sustainable forest utilization practices in Mt Rinjani and Mutis Timau Protected Area (PA) Nusa Tenggara will perform at a much improved level. Capacities of both local institutions and communities in implementing best forest utilization practices and livelihood are increased; a viable model of small-scale enterprise for income generation of local communities will be used and replicate in other similar area ; Management plan will be used as guideline in implementing utilization of NTFP resource in target districts even in province level and local government's policy on sustainable forest utilization will be more effective.**

## PROBLEM TREE



## OBJECTIVE TREE



### 2.3. Project 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 capacities and skills of key local stakeholders will decrease a barrier to their participation in the activities of utilization of NTFPs for conservation benefit of protected areas.

The project will move towards 2 (two) strategies as follow :

(1) One approach is empowering local communities to participate in NTFP's utilization.

It is important to empower communities living inside and around forest areas through improving their capacities in the context of sustainable utilization of NTFP and for the sake of public welfare. Then rural communities could be included in decision making processes and having access to 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 NTFP's for income generation of local communities. Other approach is providing information on marketable and extractable NTFP's, 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 NTFP's.

Public institutions also must 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 NTFP's and its environment (biophysics and socio economic database) will be developed and operated. It will include reviewing existing policies and regulations of forest utilization including property right, resource maintenance, harvesting, marketing etc. In addition intensive communication will be established with provincial and district leaders, communities' leaders, NGOs, private sector and local parliament representatives, national experts and other relevant stakeholders to support the decision making process at district level involving local communities and other stakeholders 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 extensions will be held to disseminate information for local communities in target villages regarding benefits establishing cooperatives (work together with WWF)
- (1) 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.
- (2) 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-Wood Forest Product 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.
- (3) To involve communities near forests in the process of policy formulation and regional regulations related to other non-timber forest product utilization.
- (4) 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 NTFP's through the institution, to other villages directly adjacent to the forest to motivate them to create forest cooperatives institution.

#### 2.4. Target beneficiaries

The ultimate beneficiaries will be:

Local communities living in the up land of Nusa Tenggara region in general, in and around Rinjani and Mutis PA particularly in terms of social, economic and ecological values. They will have more chance to participate in managing the forest resources mainly NTFPs and local people will receive fair benefits from utilization of NTFP under the new system. Their capacity in cultivation, intensive plantation and sustainable harvesting and marketing will improve and as a consequence local income also will increase.

The immediate beneficiaries are identified as:

- a. Forestry Service West and East Nusa Tenggara Province

Through this project the capacity of Forestry Service in managing the forest utilization of NTFP in and around protected areas in accordance with best management practices will be improved. The Forestry Service will play an important role in strengthening the policy option and incentive framework for the communities.

- b. Local Government (Districts level) of West and East Nusa Tenggara Province

The project will give better knowledge of applied economic framework for sustainable utilization of NTFP as well as the provision of incentives and economic instruments. Scientific and technical knowledge of local government staffs will be improved to undertake sustainable forest utilization management. Provincial and District Government staffs, will gain professional experience in conservation and collaborative management and learn from shared information

- c. Ministry of Forestry Republic of Indonesia

The Ministry of Forestry will receive information regarding the utilization of NTFPs involving local communities in Eastern part of Indonesia. Also it will have the data centre to provide the country reliable and accurate data and information on valuable products of the Indonesian non timber forest products.

- d. Local NGOs and other relevant agencies (universities etc)

They will have an opportunity be involved in the decision making process in managing the resources mainly NTFPs. They will interact for exchange of information and experiences. Interested local NGOs and universities can use and obtain data and information related to participatory SFM for sustainable utilization of NTFP

Indirect beneficiaries of this project mainly from the data and information prepared by the project will be:

e. ITTO related programs and projects

Through this project the ITTO related programs and projects could benefit from the data and information provided

f. Commercial Organizations

Through this project, commercial organizations interested in non timber forest product commodity from Nusa Tenggara region could easily and accurately get data and information against commercial subscription fees.

g. International organization and other area

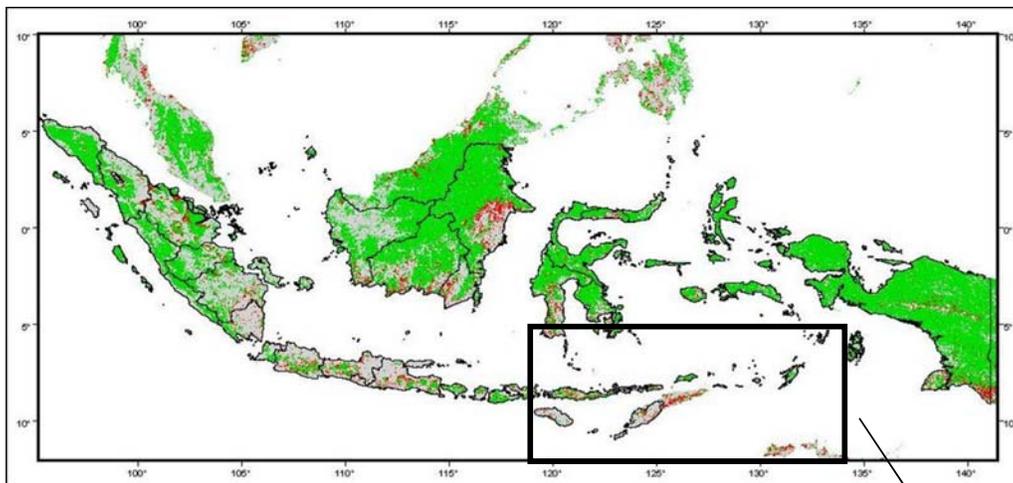
The experience of a developed viable model of small-scale enterprise for income generation for local communities in protected area which is managed efficiently for the maximum benefit of local communities may be applicable to similar situation in other area in Indonesia or in Asia

## 2.5. Scientific and Technical Aspects

### **A. Utilization of NTFP in Nusa Tenggara**

#### **1) The setting of Nusa Tenggara**

The Indonesian islands southeast of Bali and northwest of Australia are known as the Lesser Sundas or Nusa Tenggara. Administratively, the region is divided into two provinces, West Nusa Tenggara (NTB) , and East Nusa Tenggara (NTT). The geology of the area is based on extremely rugged mixed volcanic and limestone rock. The climate is semi-arid — about 1 500 mm of rain falls within a 3–5 month period.

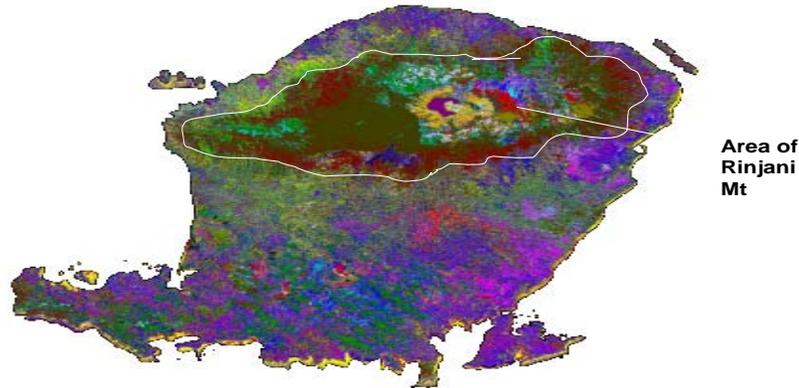


**Nusa tenggara**

#### **2) 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 agricultural, while some are maritime (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



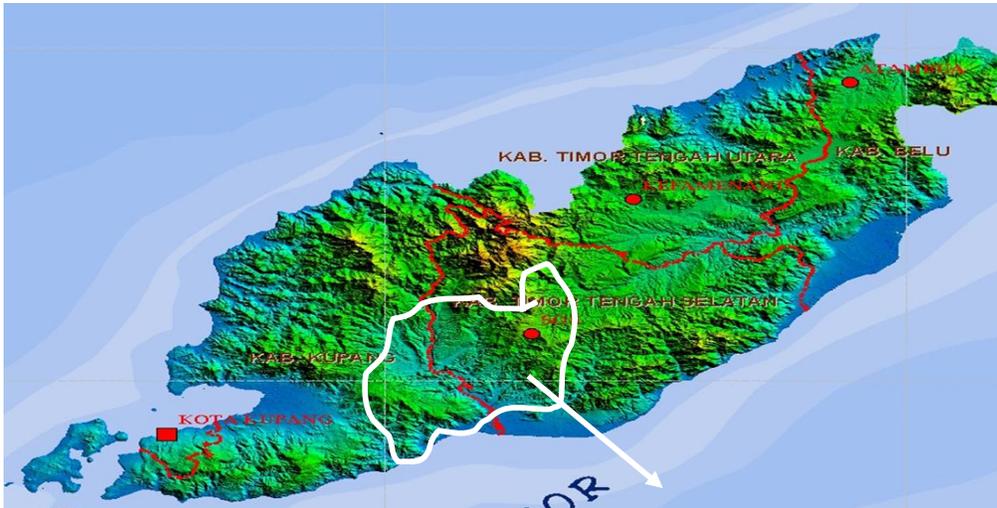
As a small island, Lombok has crucial problem with water supply since it gets its water only from the Rinjani watershed. Apparently, water supply has decreased about 40% over the last 15 years because of forest degradation in Rinjani Mountain, which is approximately 125,000 hectares in total area.

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 millions 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 source for rivers in Lombok 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 Gunung Rinjani 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 fuelwood, timber, and fodder.

### **3) 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 eEastern Indonesian archipelago of Nusa Tenggara.



**Mutis MT area East Nusa Tenggara**

Cultural traditions are diverse and strong among the populace of Nusa Tenggara, the majority of whom find 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 fuelwood. 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 fuelwood. 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* (*Eucalyptus urophylla*), 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-Miomafo 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 peoples 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 are 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 assistance, open market access, creation of small-scale enterprises ( )

## **B. 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 have 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 ill-conceived programs. ????(who)are now seeking new opportunities to involve local communities in constructive, nonthreatening, and often unobtrusive ways.

### 2.6. 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.

#### 2.7. Environmental Aspect

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

(This is a repetition of the first line under this heading) Upon completion of the project the sustainable conservation of living resources and ecosystem will be developed and achieved by sustainable use of protection area. Furthermore the project will contribute to the maintenance of the ecosystem and their high level of endemic species and biodiversity in protected area and reduce the ecological risk for disaster (soil erosion and flooding) and will contribute to the improvement of micro climate of the areas and avoid irregular water supply for Nusa Tenggara region. The maintenance of forest protection and thus of the watershed will ensure supplying water to the southern part of Lombok and Timor island.

#### 2.8. 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.

#### 2.9. Risk

The potential risk associated with the project and likely will affect its implementation are:

### 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 NTFP 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.

These will be mitigated by :

- a) Improving capacity of responsible institution
- b) The local communities, NGOs and related interested parties should prevent any future changes of the formulated and agreed policy option and strategy as well as the economic mechanism that does not give fair benefit sharing to local communities
- c) Special approach is needed for these group through consultation and participatory approach.

### 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 problems (constraints?) 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.

### Another risk associated with conflict of interest between the local government and local communities involve in illegal activities disturbing protected area .

Some of reasons for basic conflict between conservation and development is listed:

at the macro level there is a need of land for agricultural activities;

infrastructural developments;

population growth;

tourist industry;

all of which affect 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 (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.

### 3. Outputs

#### 3.1 Output (1)

Capacities of local communities surrounding protected area in obtaining permits for utilizing of NTFP 's increased

Indicators :

- By the end of the project the number of permit increased 20 %
- Community groups in 9 (nine) villages trained in utilization of NTF's
- By the end of the project the model for small scale forest economy has made progress dealing with at least 10 commodities of NTFP's for income generation of local communities in the pilot villages
- Two series extension has been implemented for improving awareness of ESE benefits in protected areas in 9 (nine) pilot villages.

#### 3.2 Output (2)

Management plan for more economically viable of the NTFP's elaborated

Indicators:

- Management plan for sustainable utilization of ten (10) NTFP's formulated
- Three 3 series intensive consultations with local stakeholders held
- By the end of the project economic incentive options for sustainable utilization of NTFP's formulated

### 4. Activities

#### 4.1 Activities Output 1.

- a) Conducting training on participatory forest management for sustainable forest utilization of NTFP's in protected area for the target groups in target villages near Rinjani and Mutis Timau Mountain
- b) Developing Model for small-scale forest economy for income generation of local communities in the pilot villages
- c) Conducting series of extensions for improving awareness of ESE benefits of Protected area for the communities in the 9 (nine) pilot villages

#### 4.2 Activities Output 2

- a) Developing management plan for sustainable utilization of NTFP's using updated and reliable information through participatory process (drafting management plan, workshops, adoption of the plan)
- b) Conducting intensive consultations with local stakeholders (in terms of information on benefit of sustainable utilization of NTFP's; expectations from forest management) in the utilization NTFP's policy decision making process
- c) Developing economic incentives options for local communities to participate in conservation of PA and sustainable utilization of NTFP's

5 Logical Framework

<i>Project Elements</i>	<i>Indicators</i>	<i>Means of verification</i>	<i>Assumption</i>
<p><b><u>Development Objective</u></b></p> <p>To promote sustainable utilization of Non Timber Forest Products (NTFP's) in Nusa Tenggara Indonesia</p>	<p>Participatory forest management for sustainable utilization of NTFP resources (surrounding the PA) and for conservation of the PA established by the end of the project</p>	<p>Report of Provincial Forestry Service</p> <p>ITTO project completion report</p>	<p>National and local policy support participatory forest management in protected area in Nusa Tenggara</p>
<p>Specific objectives</p> <p>To improve participation of local communities in promoting sustainable utilization of NTFP's and for conservation benefit of the Rinjani and Mutis Timau Mt. protected area</p>	<p>At the end of project, the number of permits for utilizing NTFP required by local communities increased by 20 percent; Capacity of local communities in 9 villages and 3 key institutions in implementing participatory forest management for sustainable utilization of 10 NTFP's improved ; Model small scale enterprise appropriate for sustainable income generation established in 9 target villages ; Incentive policy option is available; local capacity in utilization of NTFP improved; forest utilization practice enhanced; Management plan is available for ten economically viable NTFP's</p>	<p>Annual Report of Forest Service Progress Report on participatory forest management; information system of NTFP's Report of field visits ; Training Report on sustainable utilization of NTFP</p>	<p>Government policy support to sustainable participatory forest management in protected area</p> <p>Strong support and commitment from various stakeholders</p>

<b>Project Elements</b>	<b>Indicators</b>	<b>Means of verification</b>	<b>Assumption</b>
<p>Output</p> <p>Output 1</p> <p>Capacities of local communities in obtaining permits for utilizing of NTFP's increased</p>	<p>Trained at least 20 forestry staff and community leaders from 9 pilot villages in sustainable forest (resources) management</p> <p>Two series trainings on small scale entrepreneurship conducted and on-the-job training for communities on technical and managerial skills conducted (including entrepreneurships) in utilization of NTFP's</p> <p>Data on marketable and extractable of at least for 10 NTFP's products available ;</p> <p>Two series extension on small scale entrepreneurship conducted</p>	<p>List of community group participated in Training; Report on field visits; documentations</p> <p>Job training reports; Technical reports; Discussionreports; documentations Leaflet/brochure distributed</p> <p>Study Report; Extension reports Leaflet/brochure distributed List of community group participated in the activities</p>	<p>Continuous interest of the government in improving sustainable forest utilization</p> <p>Strong support from various stakeholders</p>
<p>Outputs 1.2:</p> <p>Elaborated Management plan for more economically viable of the NTFP's</p>	<p>Two months national expert studies on forest resource and its environment ;</p> <p>Field Survey conducted One</p>	<p>Consultant/study report field visit documentations</p> <p>Consultant Report on field</p>	<p>Strong political will for sustainable forest utilization</p>

<b>Project Elements</b>	<b>Indicators</b>	<b>Means of verification</b>	<b>Assumption</b>
	<p>information system is developed and operational</p> <p>One management plan for sustainable utilization of NTFP's developed</p> <p>Three times Workshop/public consultations conducted</p> <p>Two series stakeholders consultations on benefit of SFM and expectation from forest management conducted</p> <p>Economic incentive option for sustainable utilization of NTFP's formulated ; One Workshop held; policy strategy and option submitted</p>	<p>survey ; Report on establishing a system for access to forest resource database</p> <p>Management plan report</p> <p>Technical report; Discussion reports; Documentations Leaflet/brochure distributed Proceeding and technical reports</p> <p>Technical Report and documentation, Proceedings ; Policy strategy and option printed, published and disseminated</p>	<p>Strong support from all stake holders in sustainable forest utilization</p>

## 6. Work plan

Output / Activities	Responsibility	Year							
		1 <sup>st</sup> Year				2 <sup>nd</sup> Year			
		I	II	III	IV	I	II	III	IV
Output 1. Capacities of local communities increased in obtaining permits for utilizing of NTFP 's enhanced	Executing and Collaborating Agency, Consultant/expert communities group								
Activities 1.1 Conducting training in participatory forest management for sustainable forest utilization of NTFP's in protected area	Executing and Collaborating Agency , Consultant/expert								
1.2 Developing model for small-scale forest economy dealing with NTFP's for income generation of local communities in pilot villages	Executing and Collaborating Agency								
1.3 Conducting extensions for improving awareness of ESE benefits of Protected Area in pilot villages	Executing and Collaborating Agency , communities group								
Output 2 Management plan elaborated for more economically viable of the NTFP's	Executing and Collaborating Agency National expert/consultant								

Output / Activities	Responsibility	Year							
		1 <sup>st</sup> Year				2 <sup>nd</sup> Year			
		I	II	III	IV	I	II	III	IV
Activities									
2.1 Developing management plan for sustainable utilization of NTFP's using updated and reliable information through participatory process (drafting management plan, workshops, adoption of the plan)	Executing Agency , Collaborating Agency and national consultant/expert								
2.2. Conducting intensive consultations with local stakeholders (in terms of information on benefit of sustainable utilization of NTFP's; expectations from forest management) in the policy decision making process for utilization of NTFP's	Executing Agency, Collaborating Agency and national consultant/expert								
2.3 Developing economic incentives option for local communities to participate in conservation of PA and sustainable utilization of NTFP's	Executing and Collaborating Agency								
PSC meeting	PMU								

### 7.1. Overall Project Budget by Activity (US\$)

OUTPUT/ACTIVITIES	BUDGET COMPONENT						Quarter / Year	Total ITTO	Gol FSO and WWF
	Project Personnel	Sub Contract	Duty Travel	Capital Item	Consumable Item	Miscellaneous			
	10	20	30	40	50	60			
<u>Output 1</u> Capacities of local communities in obtaining permits for utilization of NTFP increased									
<u>Activity 1.1</u> Conducting training in participatory forest management for sustainable utilization of NTFPs in protected area	16,750 <i>5,000</i>	20,000	6,250	4,000 20,000 <i>10,000</i>	2,000 <i>5,000</i>	3,000	Q1-Q2 Y1	52,000	20,000 (LRSF) 20,000 (WWF and FSO)
Activity 1.2 Developing Model for small-scale forest economy dealing with NTFPs for sustainable utilization of NTFPs in protected area	7,800 <i>3,000</i>	20,000	6,250	- 5,000 <i>2,000</i>	2,000	-	Q3-Q4, Y1 Q1-Q2 Y2	36,050	5,000 (LRSF) 5,000 (WWF and FSO)
Activity 1.3 Conducting extensions for improving awareness of ESE benefits for Protected Areas	7,800 <i>5,000</i>	30,000	7,250	1,000 3,000	2,000 <i>30,000</i>	1,000	Q1- Q3, Y2	49,050	3,000 (LRSF) 35,000 (WWF and FSO)
<b>Subtotal Output 1</b>	<b>32,350</b> <i>13,000</i>	<b>70,000</b>	<b>19,750</b>	<b>5,000</b> <b>28,000</b> <i>12,000</i>	<b>6,000</b> <i>35,000</i>	<b>4,000</b>		<b>137,100</b>	<b>28,000</b> (LRSF) <b>60,000</b> (WWF and FSO)
<u>Output 2</u> Management plan for economically more viable of NTFP's elaborated									
<u>Activity 2.1</u> Developing management plan for sustainable utilization of NTFPs using updated and reliable information through participatory process (drafting management plan, workshops, adoption of the plan)	10,000 <i>3,000</i>	10,000	15,050 <i>5,000</i>	- 200 <i>10,000</i>	8,000	3,000	Q2-Q3, Y1	46,050	200 (LRSF) 18,000 (WWF and FSO)
<u>Activity 2.2</u>	7,500	15,000	16,000	- 2,000	1,500	4,000	Q4 Y1-Q1, Y2	44,000	2,000

Conducting series of intensive consultations with local stakeholders (in terms of information on benefits of sustainable utilization of NTFPs; expectations from forest management) in policy decision making process for the utilization NTFPs	5,000								(LRSF) 5,000 (WWF and FSO)
<b>Activity 2.3</b> Developing economic incentives option for local communities to participate in conservation of PA and sustainable utilization of NTFPs	8,000 1,000 3,000	5,000	6,500	- 10,000	1,000	500	Q1-Q3, Y2	21,000	1,000 LRSF) 13,000 (WWF and FSO)
<b>Subtotal output 2</b>	25,500 1,000 11,000	30,000	37,550 5000	- 2,200 20,000	10,500	7,500		111,050	3,200 (LRSF) 36,000 (WWF and FSO)
<b>Total output 1 and 2</b>								248,150	31,200 (LRSF) 96,000 (WWF and FSO)
Project Coordinator								48,000	
Field Coordinator								36,000	
Secretary								18,000	
Finance staff								15,000	
Technical staffs (3 )								50,400	
project development/preparation								3,500	
<b>Sub Total</b>								170,900	
<b>ITTO Administration</b>									
1. Monitoring and Review								20,000	
2. Ex-post Evaluation								15,000	
3. ITTO Program Support Cost (8%)								36,324	
<b>Subtotal</b>			-	-	-	-	-	71,342	
<b>Grand Total</b>								490,374	127,200

**Note:**

LSRF=Directorate General of Land Rehabilitation and Social Forestry  
 WWF= WWF Indonesia  
 FSO= Forestry Service of West Nusa Tenggara Province

## 7.2. Yearly Project Budget by Source – ITTO

Budget Component	Year		Total
	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	
10. Project Personnel	120,000	108,750	<b>228,750</b>
20. Sub-contracts	55,000	45,000	<b>100,000</b>
30. Duty Travel	28,050	29,250	<b>57,300</b>
40. Capital Items	4,500	500	<b>5,000</b>
50. Consumable Items	12,000	4,500	<b>16,500</b>
60. Miscellaneous	6,500	5,000	<b>11,500</b>
<b>Sub Total 1</b>			<b>419,050</b>
70. ITTO Administration			
Sub Total			<b>419,050</b>
71. Monitoring and Evaluation			20,000
72. Ex-post Evaluation			15,000
73. Programme Support Costs (8%)			36,324
<b>Sub Total 2</b>			<b>71,342</b>
<b>TOTAL</b>			<b>490,374</b>

## 7.2. Yearly Project Budget by Source – GOI

(Executing Agency and Collaborating Agencies; Directorate General of Land Rehabilitation and Social Forestry , Forestry Service of West Nusa Tenggara Province and WWF Indonesia)

Budget Component	Year (US\$)				Total
	1 <sup>st</sup> Year		2 <sup>nd</sup> Year		
	WWF	FSO	WWF	FSO	
10. Project Personnel	10,000	1,000	14,000	-	25,000
20. Sub-contracts	-	-	-	-	-
30. Duty Travel	5,000	-	-	-	5,000
40. Capital Items	22,000	25,200	10,000	5,000	62,200
50. Consumable Items	5,000	-	30,000	-	35,000
60. Miscellaneous	-	-			
<b>TOTAL</b>					<b>127,200</b>

#### **7.4. Consolidated Yearly Project Budget by ITTO**

	Budget Components/Source	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	Total
10	<i>Project Personnel</i>			
	11. International Consultant	10,000	-	10,000
	12. National Consultants	23,500	21,500	45,000
	15. Other Personnel/laborer	1,050	1,800	2,850
	-Project Coordinator	24,000	24,000	48,000
	-Field Coordinator	18,000	18,000	36,000
	-Secretary	7,500	7,500	15,000
	-Finance staff	9,000	9,000	18,000
	-Technical staffs (3 )	25,200	25,200	50,400
	<b>19. Sub total</b>	<b>118,250</b>	<b>107,000</b>	<b>225,250</b>
20	<i>Sub-Contract</i>			
	21. Sub-Contract (with A)	55,000	45,000	100,000
	<b>29. Sub Total</b>	<b>50,000</b>	<b>50,000</b>	<b>100,000</b>
30	<i>Duty Travel</i>			
	31. Daily Subsistence Allowance	3,750	9,750	11,625
	32. International Travel	2,000	-	2,000
	33. Local Travel	12,500	9,000	13,500
	34. National Cost/Travel	9,800	10,500	16,100
	<b>39. Sub Total</b>	<b>28,050</b>	<b>29,250</b>	<b>57,300</b>
40	<i>Capital Item</i>			
	43. Capital Equipment	4,500	500	5,000
	<b>49. Sub Total</b>	<b>4,500</b>	<b>500</b>	<b>5,000</b>
50	<i>Consumable Item</i>			
	52. Raw material	2,000	500	2,500
	53. Fuel and utilities	4,000	1,500	5,500
	54. Office supply	6,000	2,500	8,500
	<b>59. Sub Total</b>	<b>12,000</b>	<b>4,500</b>	<b>16,500</b>
60	<i>Miscellaneous</i>			
	61 Audit	4,000	-	4,000
	62 Others	2,500	5,000	7,500
	<b>69. Sub Total</b>	<b>6,500</b>	<b>3,500</b>	<b>11,500</b>
	<i>Project development/preparation</i>			<b>3,500</b>
	<b>TOTAL</b>			<b>419,050</b>
70	<i>ITTO Administration</i>			
	71. Monitoring and Evaluation			20,000
	72. Ex-post Evaluation			15,000
	73. Program Support Cost (8%)			36,324
	<b>79. Sub Total</b>			<b>71,324</b>
80	<b>GRAND TOTAL ITTO</b>			<b>490,374</b>

### **7.5. Consolidated Yearly Project Budget by GOI**

	Budget Components/Source	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	Total
10	<i>Project Personnel</i>			
	15. <i>Other Personnel</i>			
	- <i>Technical staff</i>	8,000	9,000	17,000
	- <i>Counterpart</i>	3,000	5,000	8,000
	<b>19. Sub total</b>	<b>11,000</b>	<b>14,000</b>	<b>25,000</b>
20	<i>Sub-Contract</i>			
	21. <i>Sub-Contract (with A)</i>	-	-	-
	<b>29. Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
30	<i>Duty Travel</i>			
	31. <i>Daily Subsistence Allowance</i>	-	-	-
	32. <i>International Travel</i>	-	-	-
	33. <i>Local Travel</i>	2,500	-	2,500
	34. <i>National Cost/Travel</i>	2,500	-	2,500
	<b>39. Sub Total</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>
40	<i>Capital Item</i>			
	43. <i>Capital Equipment</i>	47,200	15,000	62,200
	<b>49. Sub Total</b>	<b>47,200</b>	<b>15,000</b>	<b>62,200</b>
50	<i>Consumable Item</i>			
	52. <i>Raw material</i>	-	-	-
	53. <i>Fuel and utilities</i>	5,000	10,000	15,000
	54. <i>Office supply</i>	-	20,000	20,000
	<b>59. Sub Total</b>	<b>5,000</b>	<b>30,000</b>	<b>35,000</b>
60	<i>Miscellaneous</i>			
	61 <i>Audit</i>	-	-	-
	62 <i>Others</i>	-	-	-
	<b>69. Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL</b>			<b>127,200</b>

**Note:**

Government Indonesia (GOI) = Directorate General of Land Rehabilitation and Social Forestry , WWF Indonesia and Forestry Service of West Nusa Tenggara Province

### **PART III: OPERATIONAL ARRANGEMENTS**

#### **1. Management Structure**

**The Executing Agency of the project will be the Directorate General of Land Rehabilitation and Social Forestry, Ministry of Forestry which will assume all the responsibility for provide contribution to the project through national policy, regulatory framework, coordinate and liaise with ITTO on project development. Collaborating Agency is WWF-Indonesia and Forestry Service of West Nusa Tenggara. The Executing Agency and Collaborating Agency's will establish Project Implementing Unit (PIU) where in all concerned parties are representative. The PIU will be lead by WWF-Indonesai. A Memorandum of Understanding between the Executing and Collaborating Agencies establishing rules and responsibilities of each will be formulated.**

The executing and Collaborating Agencies will be involved in the project from preparation until completion of the project. The Collaborating Agencies will work together with relevant authorities at district level , such as communities' groups, local NGOs, university to implement the activities in the field. as appropriate; some activities will be implemented through sub-contracts with local NGOs and consultants for better efficiency.

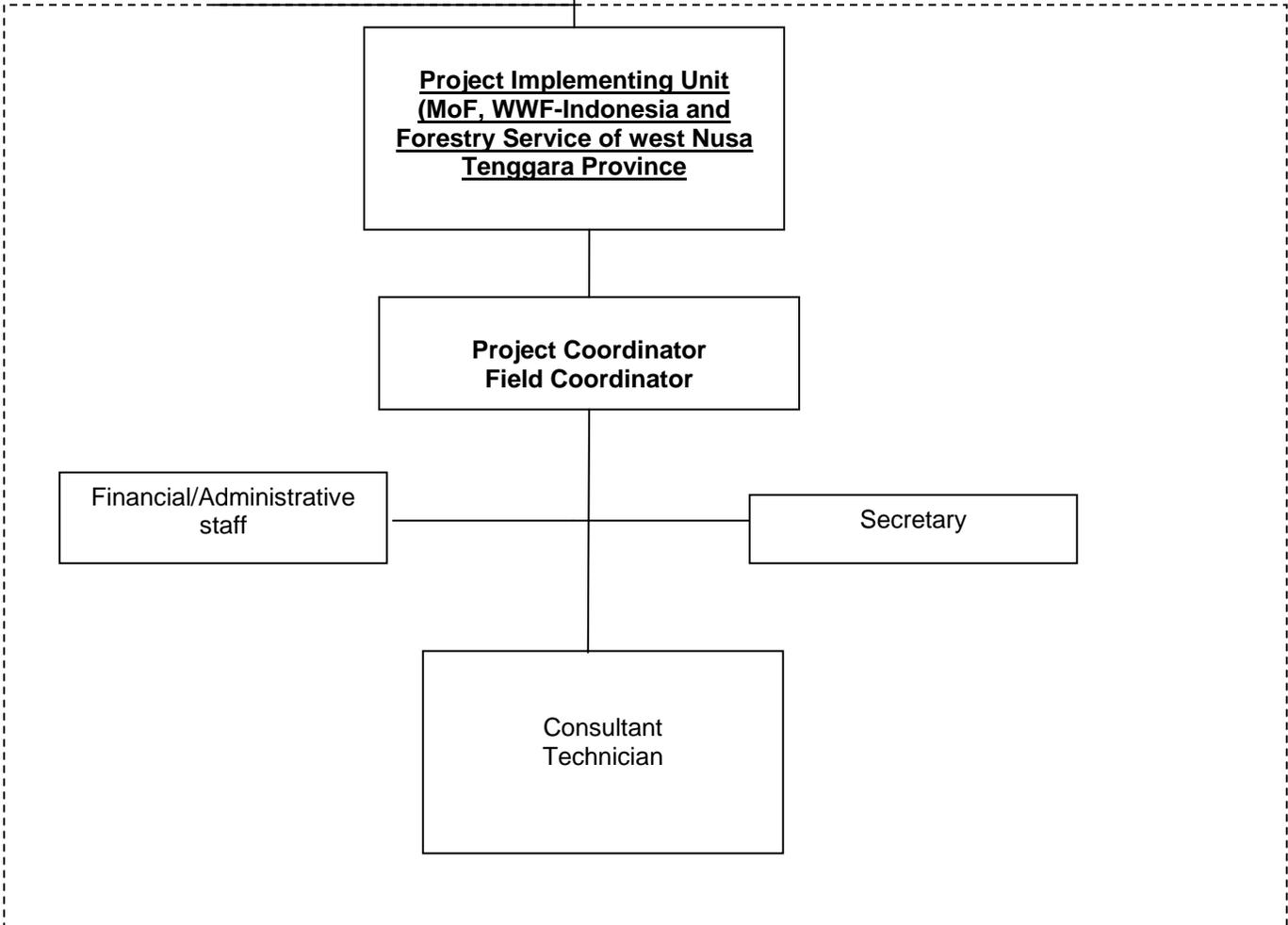
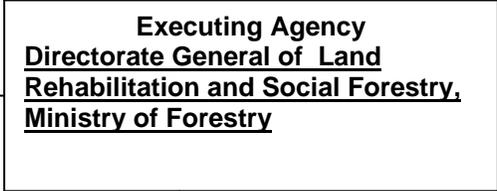
The Project Steering Committee (PSC) consists of policy makers, communities group, NGO and other relevant party which appointed by the Ministry of Forestry. The duty of PSC will be: (a) approve program and budgets of the various activities within the framework of the project approved by ITTO (b) conduct annual reviews and evaluation of the project implementation (c) Approve progress report before submission to ITTO and GOI. The PSC will be chaired by the Director General of Forest Land Rehabilitation and Social Forestry, MoF.

**Professional coordinator will be assigned . He/she will be responsible on coordinating and supervising all activities and ensuring that the overall objectives are achieved as well as develop report to the Executing and Collaborating Agencies as well as to ITTO in consultation with the Steering Committee.. The project coordinator will be assisted by field coordinator. Project field coordinator will be responsible on coordinating and supervising all activities in site; Facilitate communication with relevant parties in East Nusa Tenggara and ensuring that the activities are implemented under the coordination with project coordinator and it close cooperation with the other members of the project staff and be responsible for the day to day management of the project in the site .**

The project coordinator and field coordinator should be a qualified and acceptable senior forester (relevant field) who has the responsibility for the planning of the day to day project activities and project management.

The management structure of the project is presented in the following diagram :

## Organization structure of Project Management Unit



Detailed arrangement of key stakeholders in this project is set out as follows:

- (1) The role of Directorate General of Land Rehabilitation and Social Forestry Ministry of Forestry, (MoF)
  - a) Provide contribution to the project through national policy, regulatory framework as well as research and development support
  - b) Coordinate project activities with Technical Implementation Unit of Ministry of Forestry Nusa Tenggara and supervise the implementation of all project activities
  - c) Coordinate and liaise with ITTO on project development
  - d) Provide counter budget
  - e) Disseminate project objectives and activities to related institution at national level
  
- (2) The role of Forestry Service of West Nusa Tenggara Province at province and district level
  - a) Provide contribution to the project through local policy and regulatory framework to support project implementation (province and district level)
  - b) Prepare and propose pilot sites at District level
  - c) Facilitate communication with relevant institutions at field level
  - d) Disseminate project objectives and activities to related institutions in Nusa Tenggara Province and at district level
  - e) Monitoring of project activities particularly activities on the ground
  - f) Maintain coordination with Executing Agency and local government at province and district level
  
- (2) The role of WWF includes:
  - a) Implementation of project activities in close cooperation with the Executing and relevant Agency
  - b) Manage project funds based on project proposal and approval by Executing Agency and ITTO based on project agreement in accordance with ITTO guidelines and procedures as well as prevailing government regulation
  - c) Provision of counter budget of GOI to support project activities together with EA included appointment of personnel to work in the project
  - d) Prepare and submit project report to Executing Agency and ITTO
  - e) Implement technical aspects of utilization of NTPFs in the field
  
- (3) The role of local communities :
  - a) Participation in internal management team particularly in planning and evaluation activities
  - b) Participation in ToT (Training for Trainer) to disseminate skills and knowledge to communities in target villages
  - c) Participation in developing management plan
  - d) Execution of entrepreneurship activities

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

### Monitoring

Implementation of the monitoring system will be part of the planned activities in the

Workplan according to ITTO procedure and regulation.

#### Reporting

1) Progress reports;

A project progress report will be prepared and submitted to ITTO, as required, once in every six month. This report will be prepared under the responsibility of the Project Coordinator. The submitted report will have been received by PSC.

2) Project Completion Report;

A project completion report will be prepared and submitted to ITTO as soon as the project is completed and not later than 3 months after the closing date. The submitted report will have been received by PSC.

3) Project Technical Report;

Project technical reports for studies, workshops and training reports will be provided by the forestry service within 3 months after the project completion or as required by ITTO. The submitted report will have been received by PSC.

4) Monitoring, Review and Steering Committee visit

The project will be subject to monitoring by representatives of ITTO at least once every 12 months.

#### **Evaluation**

A final evaluation will be conducted based on Project Outputs

### **3. Future Operation and Maintenance**

The assets created by the Project will become the property of the Government of Indonesia (Forestry Service)

To maintain the sustainability of this project, a continued support and facilitation effort from the Government of Indonesia to local communities and local institution are highly needed. When the non timber forest product market has developed as an alternative source of income, the surrounding community will implement sustainable management of the resources in their own land willingly to enhance local economy and to gain the conservation benefit in Nusa Tenggara Region.

The project will assist in developing workplan for the communities of essential activities and the provincial forestry service of West Nusa Tenggara will maintain the continuation of operational activities as part of its daily management. It will also maintain active communication with relevant stakeholder in forest utilization in protected area. Provincial forestry service and WWF will allocate annual budget to support the project results as integral part of local government program in sustainable forest utilization in Rinjani and Mutis Timau Mt.

The forestry service, at province and district level, incollaboration with WWF Indonesia and University of Mataram will continuously monitor and survey to get actual data for updating the database on resources.

Sustainability of the project also is expected from the sustainability of conservation programme and policy. And to maintain sustainability of this project is being achieved by continuing support and facilitation effort to local communities and local institutions.

#### **PART IV: TROPICAL TIMBER FRAMEWORK**

##### **1. Compliance with ITTA 1994 Objectives**

The project is confirming to the objectives contained in Article 1 of ITTA, 1994 through reformulation of policy and economic framework in managing forest resources particularly regarding the objective of :

- a) To provide an effective framework for consultation, international co-operation and policy development among all members with regard to relevant aspect of the world timber economy,
- b) To contribute to the process of sustainable development;
- c) To encourage members to develop national policies aimed at sustainable utilization and conservation of timber producing forests and their genetic resources and at maintaining the ecological balance in the region concerned, in the context of tropical timber trade.

The proposed project is also objected to contribute in improving local capacity and awareness in sustainable forest utilization and thus will comply to article 1 item d as follow:

- (d) To enhance the capacity of members to implement a strategy for achieving export of tropical timber and timber products from sustainably managed source by the year 2000;
- (k) To improve marketing and distribution of tropical timber exports from sustainably managed sources, and

##### **(2) Compliance with ITTO Action Plan 2002-2008**

The proposed project complies with various aspects as raised in the ITTO Action Plan 2002-2008 mainly the first goal of forest industry; The action plan on **forest industry** stated the ITTO will support activities to increase their employment opportunities and export earnings. And its stated in the first goal that ITTO will promote increased and further processing of tropical timber from sustainable sources including non timber forest products. The proposed project also is inline with the second goal of forest Industry mainly action no. 6 to promote development of marketing, production and commercial skills in forest industry and point no 7to promote increased awareness and utilization of existing information on wood properties and end-use requirements.

Furthermore, the proposed project is in line with the first goal of the action plan on forest **reforestation and forest management** where it's stated ITTO will support activities to secure the tropical timber resource base. The proposed project very much focuses on the sustainability of forest resource and in line with the first goal. The second goal of the Action Plan states that ITTO will promote sustainable management of tropical forest resources. The project will promote the implementation of ITTO guidelines and C&I and review and improve these as necessary. And this proposed project is also in line with action of goal 2 as stated: "Improve the productive capacity of natural forests, where appropriate, through intensified silvicultural practices, better utilization of lesser-used species, the promotion of non-timber forest products, guided natural regeneration, enrichment planting and reforestation;"

##### **(3) Compliance with ITTO Policy Development Series No 15 (Criteria and Indicator for the sustainable management of tropical forest)**

The project is coherent with ITTO Policy Development Series No 15 (November 2002) on "ITTO Guidelines for the Criteria and Indicator for the sustainable management of tropical forest" :

**Criteria 1, i.e., enabling conditions for sustainable forest** management which addresses the general institutional requirements that are necessary to make sustainable forest management possible. Most of these cover the policy, legal, institutional frameworks, and economic framework.

**Criteria 7: Economic, social and cultural aspects.** This criteria deals with the economic, social and cultural aspects of forests. A well-managed forest is a self-renewing resource producing a host of benefits, which might include supplying high-quality timber and satisfying the basic needs of people living in and around the forest. It also contributes to the quality of life of the population by providing opportunities for recreation and ecotourism, as well as by generating employment and investment in processing industry. Community participation is vital at all levels of forestry operations to ensure transparency and accountability in forest management, conservation and development and that all interests and concerns are taken into account

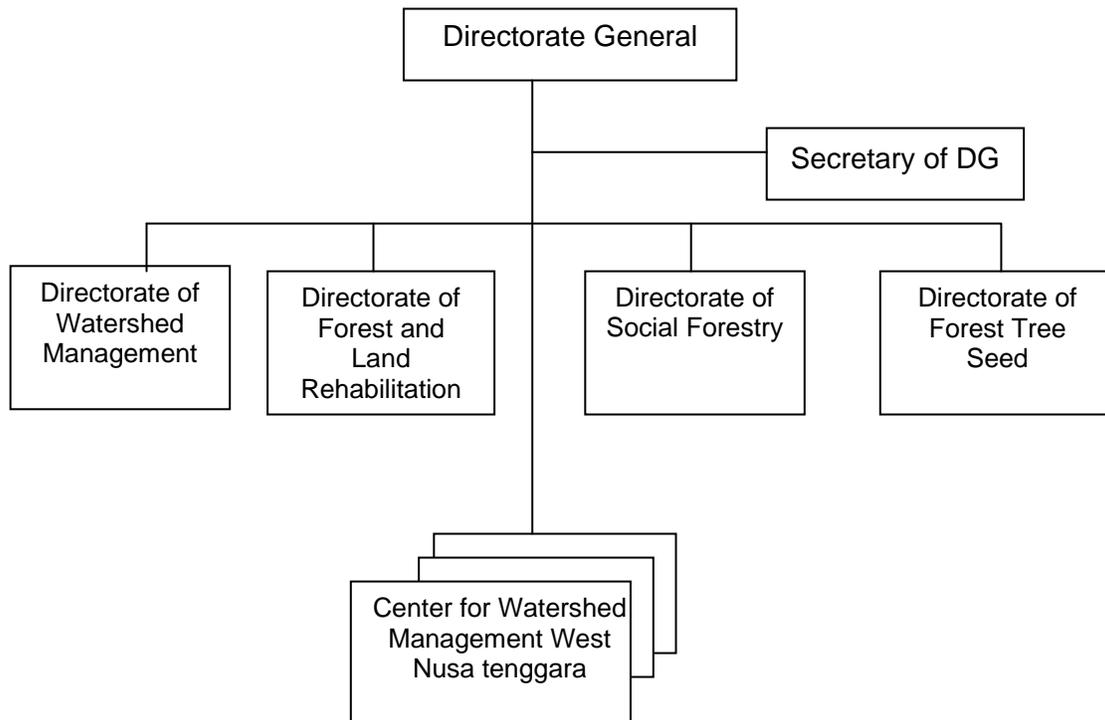
## ANNEXES

### A. Profile of the Executing Agency

The Executing Agency of the project is the Directorate General of Land Rehabilitation and Social Forestry under the Ministry of Forestry. This institution holds main functions as follows:

- a) Preparing the formulation of policy in the Ministry in the field of land rehabilitation and social forestry
- b) Formulating standards, norms, guidance, criteria and procedures related to the fields of watershed management, rehabilitation of forest and land, social forestry and seedlings of forest plants.
- c) Providing technical guidance and evaluation on the implementation of the policy, standards,
- d) Norms, guidance, criteria, and procedure related to the fields of watershed management, rehabilitation on forest and land, social forestry and seedlings of forest plants.

The organization structure of the Directorate General of Land Rehabilitation and Social Forestry is as follows:



### B. Profile of the Collaborating Agency

#### 1. The expertise of Forestry Service of West Nusa Tenggara Province

The Forestry Service is responsible for setting up policy, monitoring of timber and non timber forest product management as well as for coordinating and supervising forest management and enforcing forest development policies at provincial level. This Forestry service has enough experiences in establishment of collaboration with national and international agencies. This Agency also has long experience in managing collaborative

works between local and international institutions such as, JICA, DFID, Ford Foundation, WWF etc.

#### Infrastructure of the Executing Agency

The West Nusa Tenggara Forestry service has 3 Divisions: Forest Production Utilization, Land Use Planning and Administration. It also has forest district offices across West Nusa Tenggara

#### Budget

Budget has been allocated by the Forestry Department of NTB Province for participatory forestry development programs (agroforestry, social forestry, water spring restoration, restoration of indigenous superior timber tree species, restoration of NTFP, forest protection etc) in Rinjani area during 2005-2007, as below:

<b>Activities</b>	<b>2005 (USD)</b>	<b>2006 (USD)</b>	<b>2007 (USD)</b>
Personnel	14,920	16,670	17,740
Duty travel	16,770	19,160	15,870
Capital assets	102,030	111,920	120,450
Consumable items	9,400	9,670	10,100
Miscellaneous	8,340	9,450	9,900
<b>Total</b>	<b>151,460</b>	<b>166,870</b>	<b>174,060</b>

#### Personnel

Staff members of West Nusa Tenggara Provincial Forest Service consist of personnel, university degrees in various fields (59 persons), high school graduated and others (221 persons).

The forest service will work together mainly in implementing activities in the field with the WWF Indonesia and the Center of Watershed Management, Center for Regional Nature Conservation West Nusa Tenggara as well as with the Mataram University and selected consultants to conduct the study and develop the system.

## **2. The Expertise of World Wide Fund for Nature (WWF) Indonesia**

The World Wide Fund for Nature (WWF) has been working in Indonesia to conserve biodiversity and natural resources since the mid-1960s, first as a country program of WWF International and since July 1998 as a fully-fledged national organization. Over the years, the WWF program in Indonesia has grown dramatically and has shifted its emphasis, first from large mammal conservation to protected area planning; then to Park and reserve management in the context of integrated conservation and development projects (ICDPs); and more recently to engage a broader range of law- and policy-makers, natural resource managers, private-sector actors, and the general public through ecoregional programs and national campaigns.

WWF Indonesia recently adopted a bioregional approach to consolidate its conservation efforts and address a broader range of concerns related to the sustainable use of natural resources, environmental quality, and the quality of human life in relation to nature. These interrelated concerns are now being programmatically administered through four regional offices—Sundaland Sumatra/Java, Sundaland Kalimantan, Sahul (Papua), and Wallacea (Sulawesi, Nusa Tenggara and Maluku).

WWF's vision of conservation in Indonesia is one in which the government, private sector and civil society work together to 'conserve Indonesia's biodiversity for the well-being of existing and future generations'. To pursue this new vision, WWF Indonesia is working hard to reconcile the needs of people with the conservation of the natural environment.

WWF Indonesia programs are: Forest, Freshwater, Oceans and Coasts, Species, Toxics and Climate Change. This report contains program documents for these six areas of work, summarizing WWF Indonesia's programmatic plans for the next five years. As of Fiscal Year 02, WWF Indonesia is striving to implement its programs in a more comprehensive way, through complementing its field conservation activities with strengthened community participation and community-based economic development, as well as policy advocacy.

## **VISION**

Conservation of Indonesian biodiversity for the well-being of present & future generations.

## **MISSION**

### **Conserving biodiversity and reducing impact through:**

1. Promoting strong conservation ethics, awareness and actions in Indonesian society.
2. Facilitating multi-stakeholders efforts to preserve biodiversity & ecological processes on ecoregional scale.
3. Advocating for policies, law and law enforcement that support conservation.
4. Promoting conservation for the well-being of people through sustainable use of natural resources.

### **Curriculum Vitae of the Key Staffs**

- 1. Name** : Ir. Apik Karyana, MSc  
**Position** : Deputy Secretaris Director General Land Rehabilitation and Social forestry  
**Address** : Manggala Wanabhakti Blok I floor 12  
Jl. Gatot Subroto Senayan Jakarta  
**Phone/Fax** : +62-21-5733431  
mobile phone 081514346397.  
**Email** : [Kehutanantb@yahoo.com](mailto:Kehutanantb@yahoo.com)
  
- 2. Name** : Ir. Hartina, MM  
**Position** : Head of Forestry Department of West Nusa Tenggara Province  
**Address** : Jl. Majapahit No: 54, Mataram, Lombok, NTB, Indonesia  
**Phone/Fax** : (620370)633071, fax (620370)633961,  
mobile phone 08123782943.  
**Email** : [Kehutanantb@yahoo.com](mailto:Kehutanantb@yahoo.com)  
**Experience** :
  - a) Facilitation to sustainable NTFP utilization (candle nut forest) in Parado forest area, Bima, West Nusa Tenggara.
  - b) Comprehensive study toward Mt. Rinjani through Participatory Action Research (PAR Rinjani), Lombok, West Nusa Tenggara
  - c) Development of sustainable NTFP utilization by local community at Kekait, West Lombok, West Nusa Tenggara.
  - d) Development of Social Forestry at Santong, West Lombok, West Nusa Tenggara.
  - e) Development of participatory restoration of logged over area by planting local superior timber tree species at Gangga, West Lombok, West Nusa Tenggara.

- f) Development of sustainable agroforestry along forest boundary at Sapit, East Lombok, West Nusa Tenggara.

2. **Name** : Muhammad Ridha Hakim  
**Position** : Project Leader for Nusa Tenggara Program at the World Wide Fund for Nature (WWF)  
**Address** : Jl. Arief Rahman Hakim No. 43 A Mataram, Lombok.  
NTB Indonesia  
**Phone/Fax** : +62 (370) 642401; 630505; Mobile : 0812 37780 55;  
**Email** : [RHakim@wwf.or.id](mailto:RHakim@wwf.or.id)

**Experience**

- a) Facilitating project activities cooperate with counterparts, organizing capacity building events, advocating policies, managing the information exchange and administration
- b) Developing external communication and supporting the evaluation of WWF's work plan. Based on the progress of NTT and NTB forest division and also developing campaign activities at the national and international levels.
- c) a member of the Regional (*West Nusa Tenggara*) Forest Forum, and the Heads of districts in Lombok and Sumbawa regency.
- d) a vocal advocate for community empowerment and also encourages WWF to evaluate all national and regional environmental programs to regard to availability, access and the sustainability of natural resources for poor local communities in the Nusa Tenggara region.

## C. TERM OF REFERENCES

### I. Term of Reference for Project Coordinator

**Position:** Project coordinator; one project coordinator will be hired to run the project and to coordinate operational activities.

**Duration:** 24 months

**Responsibility:** Project coordinator will be responsible for coordinating and supervising all activities and ensuring that the overall objectives are achieved. Under the coordination with the steering committee and in close cooperation with the other members of the project staff. Facilitate communication with Executing Agency and relevant agency within Ministry of Forestry and also ITTO. He or she will work closely with all parties and personnel involved in the project mainly with field/site coordinator, and be responsible for the management of the project. He or she will be responsible of the funds applied to the project and for the preparation of all project reports.

**Qualification, experience and payment:** hold at least bachelor degree in forestry/relevant field. Good understanding in English both oral and written. He or she must have good understanding on the overall objectives, output to be achieved and activities to be carried out of the project and familiar with ITTO format. He or she must have sufficient experience in working with Eastern part of Indonesia and have high communication and language ability. Rate of payment is 2,000 USD per month. The Project coordinator will be required to travel to the field. He or she will receive Daily Subsistence Allowance during duty the travels.

### II. Term of Reference for Project field/site Coordinator

**Position:** Project field coordinator; one project field coordinator will be hired to implement activities in the site and to coordinate operational activities with Project coordinator.

**Duration:** 24 months

**Responsibility:** Project field coordinator will be responsible on coordinating and supervising all activities in site; Facilitate communication with Executing Agency and relevant parties in west Nusa Tenggara and ensuring that the activities are implemented under the coordination with project coordinator and its close cooperation with the other members of the project staff. He or she will work closely with all parties and personnel involved in the project, and be responsible for the day to day management of the project in the site. He or she will integrate all activities of the project manage and be responsible of the funds for activities in the site and for the preparation of the all project report.

**Qualification, experience and payment:** hold at least bachelor degree in forestry/relevant field. He or she must have good understanding on the overall objectives, output to be achieved and activities to be carried out of the project. He or she must have sufficient experiences in working with east part of Indonesia and have high communication and language ability. The Project coordinator will be required to travel to the districts in Nusa Tenggara. He or she will receive Daily Subsistence Allowance during duty the travels.

The Project field Coordinator will be required to travel to the field. He/she will receive Daily subsistence Allowance during duty travels.

### III. **Project Administrator and Secretary**

Position: The qualified person will be hired to be Project Administrator and Secretary

Duration : 24 months

**Responsibility**: Project Administrator and Secretary will help the Project Coordinator on financial and administrative matters, as well as to arrange scheduled meetings and to maintain communication between Project Personnel.

**Qualification, experience and payment**: Basic requirements: experience in finance and general administrative work, ability to work hard and good understanding of English. The person will receive 600-750 USD/month

### IV. **Project Assistance/ Technicians**

**Position**: Qualified persons will be hired to be Project Assistance and Technicians

Duration : 24 months

**Responsibility**: Project Assistance/ Technical staff will assist Project Coordinator in technical matters. There will be 3 (three) technical staff in the field of capacity building, policy and forest economics.

**Qualification, experience and payment**: Basic requirement: experience in technical matters related to forestry and they should be able to work hard and should have good understanding of English. They will receive each 600-750 USD/month

Technical staff will assist Project Coordinator in technical matters.

### V. **Terms of Reference for International Consultant**

Position:

The international consultant will be assigned to achieve output 1. Activity 1.1 The expert must have expertise and knowledge in community forest and forest utilization, and also in institutional capacity in the relevant field. At least 3 years experience working with qualified relevant bodies.

Duration: 1 month

**Qualification**: Hold at least Master Degree and 3-5 years experience in forest management and institutional capacity. Demonstrated experience and capacity in training of forest utilization of NTFP for local community. Familiar with ITTO project and regulation. Good understanding in English both oral and written. Sufficient knowledge of situation in Indonesia.

**Responsibilities**: the expert will be responsible (1) To study and analyze information which is related to participatory forest management (2) to contribute input in drafting training manual/program of forest utilization of NTFPs for communities (3) to prepare a technical report within the period of assignment. The technical report and documentation must be presented in project meetings.

Payment; Expert will carry out the activity within the time as allocated by the project. Rate of payment is US\$ 10,000 per month

## VI. Terms of Reference for Project National Consultant

### 1. **Position:**

The national consultant will be assigned to achieve output 1. Activity 1.1 The expert must have expertise and knowledge in NTFP utilization and institutional capacity in relevant field , at least 3 years experience working with qualified relevant bodies.

**Duration:** 1 - 3 months

**Qualification:** Hold at least Master Degree and 3-5 years experience in NTFP utilization and forest management training. Good understanding in English both oral and written. Sufficient knowledge of situation in Eastern part of Indonesia.

**Responsibilities:** the expert will be responsible (1) To study and analyse information which is related to training of forest utilization for community, and work together with international expert (2) to contribute in drafting training design and will be involved in consultation process (3) to prepare a technical report within the period of assignment. The technical report and documentation must be presented in project meetings.

**Payment:** Expert will carry out the activity within the time as allocated by the project. Rate of payment will be US\$ 2,000 -2500 per month

### 2. **Position:**

The national consultant will be assigned to achieve output 1. Activity 1.2 The expert must have expertise and knowledge in community forestry and forest economics and other relevant field , at least 3 years working experience with qualified relevant bodies.

**Duration:** 1 - 3 months

**Qualification:** Hold at least Master Degree and 3-5 years experience in forest plan and institutional capacity. Good understanding in English both oral and written. Sufficient knowledge of situation in Eastern part of Indonesia.

**Responsibilities:** the expert will be responsible (1) To study and analyse information which is related to modelling small-scale forest economy dealing with NTFP (2) to contribute in developing the model and be involved in the consultation process (3) to prepare a technical report within the period of assignment. The technical report and documentation must be presented in project meetings.

**Payment:** Expert will carry out the activity within the time as allocated by the project. Rate of payment will be US\$ 2,000 -2500 per month

### 3. **Position:**

The national consultant will be assigned to achieve output 1. Activity 1.3. The expert must have expertise and knowledge in participatory forest management , extensions (conservation) and community forestry , at least 3 years working experience with qualified relevant bodies.

**Duration:** 1 - 3 months

**Qualification:** Hold at least Bachelor or Master Degree and 3-5 years experience in forest community and community extension. Good understanding in English both oral and written. Sufficient knowledge of situation in Eastern part of Indonesia.

**Responsibilities:** the expert will be responsible(1) to develop design for community extensions (2) to contribute in formulating the plan and be involved in implementation process (3) to prepare a technical report within the period of assignment. The technical report and documentation must be presented in project meetings.

**Payment:** Expert will carry out the activity within the time as allocated by the project. Rate of payment will be US\$ 2,000 -2500 per month

4. **Position:**

The national expert/consultant will be assigned to achieve output 2, activity 2.1 of the project. The expert must have expertise and knowledge in forest management plan and policies at least 3 years working experience in relevant field.

**Duration:** 1-2 months

**Responsibilities:** the expert will be responsible (1) To analyze management plan for NTFP utilization in Nusa Tenggara area (2) to draft management plan and be involved in the consultation process (3) to prepare a technical report within the period of assignment. The technical report and documentation must be presented in project meetings.

**Qualification ,time and payment:** Hold at least Master Degree and 3-5 years experience in above field. Good understanding in English both oral and written. Sufficient knowledge of situation in Eastern part of Indonesia. Expert will carry out the activity within the time as allocated by the project. Rate of payment will be US\$ 2,000-2,500 per month

5. **Position:**

The national expert/consultant will be assigned to achieve output 2, activity 2.2 of the project. The expert must have expertise and knowledge in forest policy and she/he should has access/network to the local government, at least 3 years working experience in relevant field.

**Duration:** 1-3 months

**Responsibilities:** the expert will be responsible (1) To analyze the process of public consultation in terms of information benefit of NTFP utilization in Nusa Tenggara area (2) design public consultation and be involved in the process (3) to prepare a result report within the period of assignment. The report and documentation must be presented in project meetings.

**Qualification ,time and payment:** Hold at least Master Degree and 3-5 years experience in above field. Good understanding in English both oral and written. Sufficient knowledge of situation in Eastern part of Indonesia. Expert will carry out the activity within the time as allocated by the project. Rate of payment will be US\$ 2,000-2,500 per month

6. **Position:**

The national consultant will be assigned to achieve output 2 activity 2.3. The expert must have expertise and knowledge in forest economic and policy (forest conservation), at

least 3 years working experience in relevant area in Indonesia

**Duration:** 1- 2 months

**Qualification:** Hold at least Master Degree and 3-5 years experience in forest economic and policy Good understanding in English both oral and written. Sufficient knowledge of situation in Eastern part of Indonesia.

**Responsibilities:** the expert will be responsible (1) To make analysis to develop economic incentive option for local communities to participate in PA conservation(2) to develop preparation of- and training program (3) to prepare a technical report within the period of assignment. The technical report and documentation must be presented in project meetings.

**Qualification:** Hold at least Master Degree and 3-5 years experience in forest economic , conservation and relevant field. Good understanding in English both oral and written. Sufficient knowledge of situation in Eastern part of Indonesia.

**Payment:** Expert will carry out the activity within the time as allocated by the project. Rate of payment will be US\$ 2,000 -2500 per month.

## VI. Terms of Reference for Sub-Contract

No	Name of activities	Sub contractor	Volume/Time frame	Budget
1.	<p>a) Sub contract Activity 1.1</p> <p>Conducting trainings on participatory forest management for sustainable utilization of NTFP's in protected area for the target groups in 9 (nine) villages near Rinjani and Mutis Timau Mountain. Some fundamental considerations before starting such a task had to be taken into account like:</p> <ul style="list-style-type: none"> <li>• Capacity assessment of the communities in pilot villages.</li> <li>• Suitable manual for the training</li> <li>• Methodology for conducting training</li> <li>• Availability of facilitator or resource person etc.</li> </ul>	As a subcontractor for this project will be the Executing Agency.. Execution of the activity will involve the community surrounding the rehabilitation project being supervised by national expert/consultant and also expert from Directorate General of Land Rehabilitation and Social Forestry, and Forestry Service of West Nusa Tenggara	Establishment of trainings will be done at least twice and in 30 days within the first period of the project.	Total cost for these activities is \$20.000
2.	<p>b) Sub Contract Activity 1.2</p> <p>Developing Model for small-scale forest economy dealing with NTFP's for income generation for local communities in the pilot villages</p>	As a subcontractor for this project will be the Executing Agency. Execution of the activity will involve the community surrounding the Rinjani and Mutis Timau Mountain. This activity will be supervised by consultant and also Directorate General of Land Rehabilitation and Social Forestry	<p><i>Volume :</i> The activity will be done in 3 months within the second period of the project</p> <p><i>Timeframe:</i> Establishment of model including review and trial will be done in 4 months within the second period of the project</p>	Total cost for this project is \$20,000
3.	<p>c) Sub Contract Activity 1.3</p> <p>Conducting extensions for improving awareness of ESE benefits of Protected Area for the communities in the 9 (nine) pilot villages</p>	As a subcontractor for this project will be the Executing Agency. Execution of the activity will involve the community surrounding the Rinjani and Mutis Timau Mountain. This activity will be supervised by consultant and also by Directorate General of Land Rehabilitation and Social Forestry	<p><i>Volume :</i> The activity will be done in 3 months within the second period of the project</p> <p><i>Timeframe:</i> Establishment of extension will be done three times within the second period of the project</p>	Total cost for this project is \$30,000
4.	Sub contract Activity 2.1	As a subcontractor for this project will be the	<p><i>Volume :</i> The activity will be done</p>	Total cost for this project is \$10,000

	<p>Developing management plan for sustainable utilization of NTFP's using updated and reliable information</p>	<p>Executing Agency. Execution of the activity will involve the community surrounding the Rinjani and Mutis Timau Mountain. This activity will be supervised by consultant and also by Directorate General of Land Rehabilitation and Social Forestry</p>	<p>in 2 months within the second period of the project</p> <p><i>Timeframe:</i> Establishment of activity will be done three times within the second period of the project</p>	
	<p>Sub contract Activity 2.2</p> <p>Conducting intensive consultations with local stakeholders in terms of information on benefit of sustainable utilization of NTFP's</p>	<p>As a subcontractor for this project will be the Executing Agency. Execution of the activity will involve the community surrounding the Rinjani and Mutis Timau Mountain. This activity will be supervised by consultant and also by Directorate General of Land Rehabilitation and Social Forestry</p>	<p><i>Volume :</i> The activity will be done three times within the second period of the project</p> <p><i>Timeframe:</i> Establishment of activity will be done in 3 months within the second period of the project</p>	<p>Total cost for this project is \$15,000</p>
	<p>Sub contract Activity 2.3</p> <p>Developing economic incentives option for local communities to participate in conservation of PA and sustainable utilization of NTFP's</p>	<p>As a subcontractor for this project will be the Executing Agency. Execution of the activity will involve the community surrounding the Rinjani and Mutis Timau Mountain. This activity will be supervised by consultant and also by Directorate General of Land Rehabilitation and Social Forestry</p>	<p><i>Volume :</i> The activity will be done once within the second period of the project</p> <p><i>Timeframe:</i> Establishment of activity will be done in 1-2 months within the second period of the project</p>	<p>Total cost for this project is \$ 5,000</p>

D. RECOMMENDATION AND MODIFICATION AS OF  
39-th EXPERT PANEL MEETING

<b>Specific Recommendations</b>	<b>Modifications/reformulation</b>	<b>Page</b>
1. Revise the diagram of the organizational structure presented in page 35 of the project proposal (PART III. 1) in which the representatives of the Executing Agency and the Collaborating Agencies are represented in the Project Implementing Unit;	Has been revised . See clarification (PART III: Operational Arrangement ; 1. Management Structure) and also Organization structure of Project Management Unit	34-35
2. Rephrase first paragraph of PART III.1 to conform with the modification elaborated in the point 1 above; and	Has been done	34
4. Include an Annex that shows the overall assessment and specific recommendations of the 39th Expert Panel and respective modifications in tabular form. Modifications should also be highlighted (bold and underline) in the text.	Has been included	51

**E. Detailed Budget by Activity including Unit Cost**

Output and Activities	Input	No	Unit Cost	Total
<p><b>Specific Objective 1</b></p> <p><b>Output 1.</b> The number of permits for utilizing NTFP required by local communities increased of 20 %</p> <p>Activity 1.1.</p> <p>a) Conducting trainings on participatory forest management for sustainable utilization of NTFPs in protected area for the target groups in 9 (nine) villages near Rinjani and Mutis Timau Mountain</p>	International Expert	1.0	10,000	10,000
	National Expert	2.0	2,500	
	National Consultant	3.0	2,000	6,000
	Other personnel	10.0	75	750
	Laborer		15	-
	Sub contract	2.0	10,000	20,000
	DSA	10.0	75	750
	International travel		2,000	2,000
	National Travel	10.0	350	3,500
	Local transport		10	
	Capital Equipment/PC	2.5	2,000	4,000
	Raw material		1,000	
	Fuel and utilities		1,000	1,000
	Office supplies	1.0	1,000	1,000
	Miscellaneous/PSC		3,000	3,000
	<b>Sub Total</b>			<b>52,000</b>

Activity 1.2 b) Developing Model for small-scale forest economy dealing with at least 10 NTFPs for income generation of local communities in pilot villages	International Expert		10,000	-
	National Expert		2,500	-
	National Consultant	3.0	2,500	7,500
	Other personnel	4.0	75	300
	Laborer		15	-
	Subcontract	2.0	10,000	20,000
	DSA	10.0	75	750
	International travel		2,000	-
	National Travel	10.0	350	3,500
	Local transport	20.0	100	2,000
	Capital Equipment/Vehicle		30,000	-
	Raw material		1,000	-
	Fuel and utilities	1.0	1,000	1,000
	Office supplies	1.0	1,000	1,000
	Miscellaneous/PSC		1,000	-
	<b>Sub Total</b>			<b>36,050</b>
Activity 1.3 c) Conducting two series of extensions for improving awareness of ESE benefits of Protected Areas in pilot villages	International Expert		10,000	-
	National Expert		2,500	-
	National Consultant	3.0	2,500	7,500
	other personnel	4.0	75	300
	Laborer		15	-

	Subcontract	3,0	10,000	30,000
	DSA	10.0	75	750
	International travel		2,000	-
	National Travel	10.0	350	3,500
	Local transport	30.0	100	3,000
	Capital Equipment	1.0	1,000	1,000
	Raw material			-
	Fuel and utilities		1	1,000
	Office supplies		1	1,000
	Miscellaneous/PSC		1,000	1,000
	<b>Sub Total</b>			<b>49,050</b>
	<b>Total Output 1.1.</b>			<b>137,100</b>
<b>Output 2.</b> Management plan templates fully elaborated for the ten (10) more economically viable for the NTFP's				
Activity 2.1	International Expert		10,000	-
Developing management plan for sustainable utilization of NTFP using updated and reliable information through participatory process (drafting management plan, workshops, adoption of the plan)	National Expert		2,500	
	National Consultant	4.0	2,500	10,000
	other personnel		75	-
	Laborer		15	-
	Subcontract		10,000	10,000
	DSA	30.0	75	2,250

	International travel		2,000	
	National Travel	8.0	350	2,800
	Local transport	100.0	100	10,000
	Capital Equipment		2,000	-
	Raw material	1.0	1,000	2,000
	Fuel and utilities	2.0	1,000	2,000
	Office supplies	1.0	1,000	4,000
	Miscellaneous/audit	2.0	1,000	3,000
	<b>Sub Total</b>			<b>46.050</b>
Activity 2.2. Conducting at least 3 (three) intensive consultations with local stakeholders (in terms of information on benefit of sustainable utilization of NTFP; expectations from forest management) in the utilization NTFP policy decision making process	International Expert		10,000	-
	National Expert		2,000	-
	National Consultant	3.0	2,000	6,000
	Other personnel		75	-
	Laborer	100	15	1,500
	Subcontract	3.0	5,000	15,000
	DSA	100	75	7,500
	International travel		2,000	-
	National Travel	10	350	3,500
	Local transport	100.0	50	5,000
	Capital Equipment		2,000	
	Raw material	0.5	1,000	500
	Fuel and utilities			

		0.5	1,000	500
	Office supplies	0.5	1,000	500
	Miscellaneous/AUDIT	2.0	2,000	4,000
	<b>Sub Total</b>			<b>44,000</b>
Activity 2.3. Developing economic incentives option for local communities to participate in conservation of PA and sustainable utilization of NTFP	International Expert		10,000	-
	National Expert		2,000	-
	National Consultant	4.0	2,000	8,000
	Other personnel		75	-
	Laborer		15	-
	Subcontract	1.0	5,000	5,000
	DSA	20.0	75	1,500
	International travel		2,000	-
	National Travel	10.0	350	3,500
	Local transport	150.0	10	1,500
	Capital Equipment		2,000	-
	Raw material		1,000	-
	Fuel and utilities		1,000	-
	Office supplies		1,000	1,000
	Miscellaneous	0.5	1,000	500
	<b>Sub Total</b>			<b>21,000</b>

	<b>Total Output 1.2.</b>	<b>111,050</b>
	<b>Total Output</b>	<b>248,150</b>
<b><u>Management Operational Cost</u></b>		
Project Coordinator		48,000
Field Coordinator		36,000
Finance staff		18,000
Secretary		15,000
technical staffs (3 )		50,400
project development/preparation		3,500
	<b>Total Management cost</b>	<b>170,900</b>
	<b>Total Project</b>	<b>416,650</b>
<b><u>ITTO Administration</u></b>		
ITTO Monitoring and Evaluation		20,000
ITTO Ex-post Evaluation		15,000
ITTO Programme Cost (8%)		36,324
		<b>71,132</b>
	<b>Grand Total</b>	<b>490,374</b>