

INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO)

THEMATIC PROGRAMME

COMMUNITY FOREST MANAGEMENT AND ENTERPRISES (CFME)

PROJECT DOCUMENT

TITLE	STRENGTHENING CAPACITY OF STAKEHOLDERS FOR THE DEVELOPMENT OF COMMUNITY-BASED PLANTATION FORESTS AT THREE SELECTED AREAS IN INDONESIA
SERIAL NUMBER	CFM-PD 001/10 Rev.2 (F)
SUBMITTED BY	GOVERNMENT OF INDONESIA
ORIGINAL LANGUAGE	ENGLISH

SUMMARY

Community forests have existed for centuries and represent one of the main forms of forest ownership. In Indonesia, community ownership of forest land has been the dominant tenure for decades. More recently, the governments of Indonesia have initiated new policies and legislation that will allow local communities to be actively involved in forest management **especially in the state production forest**. Community-based plantation forest (HTR) is offered as a priority program in Indonesia to achieve SFM mission. HTR was launched in 2007. Up to 2016 it is projected to rehabilitate 5.4 million hectares of logged over areas (LOA) and degraded forest areas under production forest land status. The primary concern is increasing forest contribution to economic growth as well as to people's livelihoods (pro-growth, pro-job, pro-poor). As an instrument for economic growth (the national revenues), HTR is expected to be a supplement raw material for forest industries produced by Industrial Plantation Forest (HTI). Meanwhile, as an instrument for people's livelihoods and empowerment, communities are given wider access to law, credit, and market.

Up to March 2010, The Minister of Forestry has allocated 80 districts of 24 provinces with total area 507.018 ha to be HTR site. However, the real units that have been granted legal permit of the HTR are only 25 units with the total area 38,990.97 ha. Unfortunately, these 25 units have not shown any progress of activities. Relating to this problem, it is concluded then the progress of HTR implementation should be accelerated or speed up.

Several constraints to the development of HTR can be their limited managerial and technical capacity, and also their sense of entrepreneurship. Building the capacity of communities to plan, utilize, monitor and manage their forest resources is critical to reduce illegal logging and associated trade. External support such as facilitating and technical assistance are necessary to make effective use of these. With adequate support, such as through this ITTO proposed project, the HTR which is community-based management and business models could often provide local solutions for the sustainable management and utilization of forests.

As the problem is lack of capacity of stakeholder in establish and implementation of HTR, so the development objective of this proposed project is to support the development of Community-based Plantation Forest.

The specific objective is to improve the knowledge and skills of CBPF owners in managing their forest. The expected outputs of the project are: 1) Improved capacity of community group in developing CBPF management plan and in forest cultivation; 2) Increased number of facilitators and technical persons in the field of forestry at the district level, provincial and central to guide the community in managing their plantation forest; 3) Available market access for forest products from CBPF and other plantation business

Upon completion of the project, the capacities relevant parties/stakeholder in developing CBPF management plan improved, timber produced from sustainable community plantation forest have chance to enter the global market. A long term effect of the project intervention is expected that local economy of forest dependent Communities increased and Illegal logging and illegal timber in Indonesia reduced.

EXECUTING AGENCY DIRECTORATE OF PLANTATION FOREST MANAGEMENT,
DIRECTORATE GENERAL OF PRODUCTION FOREST DEVELOPMENT

COOPERATING GOVERNMENTS

DURATION 24 MONTHS

APPROXIMATE STARTING DATE TO BE DETERMINED

BUDGET AND PROPOSED SOURCES OF FINANCE	Source	Contribution in US\$	Local Currency Equivalent
	ITTO	465,151	
	Gov't of Indonesia	88,560	
	TOTAL	553,711	

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LIST OF ABBREVIATIONS AND ACRONYMS

CBPF	: Community Based Plantation Forest
FLEG	: Thematic Programmes on Forest Law Enforcement and Forest Degradation and Enhancing Environment
IUPHHK-HT	: The holder of Forest Product Utilization License in Plantation Forest
IUPHHK-HTR	: The holder of Forest Product Utilization License in Community Plantation Forest
IUPHHK-HKm	: The holder of Timber Product Utilization License in Community Forest
ITTA	: The International Tropical Timber Agreement
LP&VI	: Independent Assessment and Verification Agency
LEI	: The Indonesian Ecolabelling Institute
MoF	: Ministry of Forestry
Permenhut	: Ministerial Forestry Decree
NAC	: the National Accreditation Committee
IPB	: Bogor Agricultural University
UGM	: Gadjah Mada University
UNFF	: United Nation on Forest Forum
SK	: Decree
TLAS	: Timber Legality and Assurance System
TLVS	: Timber Legality Verification Standard

Project Brief

Actions to SFM formulated in the Indonesian Forestry priority programs are 1) curbing illegal logging and illegal trade, 2) revitalisation of forestry sector, 3) rehabilitation and conservation of forest resources, 4) empowering communities, 5) the stabilisation of forest areas, 6) Mitigation and adaptation of climate change; and 8) Strengthening forest institution.

The Indonesian Ministry of Forestry has launched a major program on community-based forest plantation/CBPF (in Indonesia known as Hutan Tanaman Rakyat/HTR) which is intended to achieve sustainable forest management through community welfare enhancement. This program provides an opportunity to communities especially households or cooperative of households living in the vicinity of forests to access forest resources. By this program each household is allocated a maximum of 15 hectares of production forests. Meanwhile, cooperatives could be allocated forest areas depending on their financial, managerial capability and number of households. Funding is provided through optional loans from a public service body. The target for the development CBPF of small holder forests is 5.4 million hectares, and it is included in the overall target to raise industrial forestry plantations to 9 million hectares in 2016

As HTR is offered as one of priority program in Indonesia to achieve SFM mission, HTR Programme is projected to rehabilitate 5.4 million hectares of logged over areas (LOA) and degraded forest areas under production forest land status. The primary concern is increasing forest contribution to economic growth as well as to people's livelihoods (pro-growth, pro-job, pro-poor). As an instrument for economic growth (the national revenues), HTR is expected to be supplement raw material for forest industries produced by Industrial Plantation Forest (HTI).

The project beneficiaries are wide range of stakeholders, from community farmers/forest owner, that will have impact to the reduction of rural poverty, to small/medium sized forest enterprises/forest industries, will benefit of increased supply of wood raw material, to Local NGOs the program benefits derive from strengthening their capacity to support forest communities, for Government, the program provides institutional improving capacities, reduced social conflicts in forest areas, for the donors, : the program/project generates valuable lessons and new knowledge on how to support communities through a **forest planting activities**.

As the problem is lack capacity of stakeholder in establish and implementation of HTR, so the development objective of this proposed project is to support the development of Community-based Plantation Forest. The specific objective is to improve the knowledge and skills of CBPF owners in managing their forest. The expected outputs of the project are: 1) Improved capacity of community group in developing CBPF management plan and in forest cultivation; 2) Increased number of facilitators and technical persons in the field of forestry at the district level, provincial and central to guide the community in managing their plantation forest; 3) Available market access for forest products from CBPF and other plantation business

It is expected that upon completion of the project, knowledge and skills of community forest owner in implementing sustainable plantation forest improved, improved access by CFEs to capital, energy, technology, and strengthened marketing capacities (Strengthened financial and physical assets). To general communities, the programme will contribute to reduction in rural poverty and improved livelihoods through improved access to forest resources and their products, increased employment and income from productive activities..

By the end of project, it is expected that local economy of forest dependent community increased, illegal logging and related illegal trade reduced.

The Program strategy would focus on participatory planning and implementation where communities define their own needs and priorities. Implementation would involve the piloting demonstration and mainstreaming of successful approaches and models for creating financially and economically viable, socially and culturally adapted. At community level, the Program can support empowerment as well as development and implementation of approaches with high employment and revenue creation potential and long term economic feasibility.

Program interventions would aim at strengthening organizational, managerial and technical skills and the business development of community enterprises, including their business plan and marketing strategies

The most probably risks are inter alia : Inadequate political will to implement declared commitments on necessary changes in the legal and institutional framework to develop community forest management. To address the risk, the programme includes promotion of specific awareness raising activities among decision-makers and key stakeholder groups. The other risks, Government agencies may not be able to provide necessary support and facilitation. This risk can be addressed through the preparation of national community forestry strategies and engagement of local-level government agencies in planning and implementation of programme support activities as well as staff training.

Relating to the training for capacity building, the number of qualified trainer should be available at the same time since the training activities will be conducted simultaneously in 3 units of CBPF in 3 provinces. To mitigate the risks, the project should prepare lists of trainers from different agencies and including from the local university. The same cases will be in the numbers of facilitators that should be available at the time needed.

To ensure the sustainability of the strategy initiated by this project, several approach will be taken based on ITTO-funded projects. The following key success factors have been identified and possible to replicate :

1. Commitment of the government to development of community forest management and enterprises should be clarified since the project design phase.
2. Baseline information on the resources and socio-economic conditions should be measured in the project design phase, to allow assessment of impact.
3. In plantation activities, critical elements will be species selection to local conditions, seed availability to meet demand, quality of planting material, phasing of targets to ensure continuous flow of benefits in the long run.
4. Incentives should be designed to provide tangible benefits for the population during the whole cycle of the operation (include during the project period).
5. Engagement of the private sector as commercial partners to the community forest owners to maintain business networking, to ensure post-project revenue generation.
6. Target group of the training strategy need to cover all the actors, not only technical staff or community leaders.
7. Production of adequate tools for implementation (guidelines, manuals, and technical packages for community forest management and enterprise) is necessary.

The proposed project indicated a total number of **US \$ 553.711**. A significant amount of fund US \$ **465.151** (84 %) is expected come from main donor (ITTO). Counter budget will be needed to run the Executing Agency (Dit.Gen Forest Production Development) totally **US \$ 88,560**

Map of Project Locations



NOTES:

LOCATIONS OF PROJECT WILL BE IN THREE (3) PROVINCES :

1. PROVINCE OF KALIMANTAN TENGAH (CENTRAL KALIMANTAN= NO. 21)
2. PROVINCE OF MINAHASA UTARA, IN THE CELEBES ISLAND (NO. 25).
3. PROVINCE NUSA TENGGARA BARAT (WEST NUSA TENGGARA = NO. 17)

PART.1. PROJECT CONTEXT

1.1 Origin

Forest degradation and poor people who are living in and around the forest are two important issues where they have relationship each other. Because of that, handling those problems are needed basic changes, effective ways that are consistently carried out in policy making process and implementation.

Since reforms era in 1998, policy of forest management in Indonesia has been shifting to a more participatory forest management system with its character of empowering community. Act no. 41, year 1999 on Forestry explicitly illustrates its alignments to local community and is reflected in articles. Regarding those policy, community who are living inside and around the forest are allowed to manage or utilize state forest zone legally.

As the empowerment of community's economic those are living nearby the forest is one of Ministry of Forestry's program priority, the policy is launched to escalate local community prosperity and capacity of sustainable forest management. Community empowerment is carried out through granting the access to forest resources and capacity building. According to Government's Regulation no. 6 year 2007, legality access in empowering community should be carried out through Community Forest (Hutan Kemasyarakatan), Village Forest (Hutan Desa) and Partnership. Regulation and procedures of Community Forest legality are regulated through Ministry of Forestry Decree: Permenhut No. P.37/Menhut-II/2007 Jo Permenhut No. P.18/Menhut-II/2009, No. P.13/Menhut-II/2010 and it is elaborated in detail in the Director General Regulation : No. P.07/V-SET/2009. Village Forest is regulated by Permenhut No. P.49/Menhut-II/2008 Jo. No. P.14/Menhut-II/2010.

Community Forest should be carried out in Production Forest and Protection Forest area, meanwhile Village Forest (Hutan Desa) policy is a bit different from Community Forest (HKM) policy. Village Forest is a state-owned forest where it is located within related village administration where its utilization is dedicated for village's prosperity. Village forest could be applicable in Production Forest and Protection Forest. It is managed by Village-based institution which is appointed by Village regulation (Peraturan Desa).

The target of Community Forest and Village Forest work area within 2010-2014 will cover 2,5 millions hectares. Allocation of forest areas for community is an investment for community to build "business" in forestry sector.

Community Forest and Village forest is a former government's creation policy in forestry sector which has an opportunity to govern forest management practices developed by community where they have been long time assumed as forest encroacher. In other hand, this policy is also having opportunity to escalate community's welfare, alleviating poverty and opening job vacancy for local people. In supporting this policy, according to the goals, there should have been created some efforts and initiations which are supported by many parties. In addition, inter sectoral program integration should also be considered. Those both program, however, is carried out and under responsibility of other institution within Ministry of Forestry namely Directorate General of Social Forestry and Land Rehabilitation which is their main focus are the community development at outside of the state forest, which is especially conducted in privately owned community forest.

Performance of Community Forestry management and Village Forest in locations where they get facilitated with continuous assistance from both government and other respective parties (NGOs and high level institution) generally perform good enough. But in contrary, there have been problems in those locations where have not yet been provided community assistance. Based on that experience, community assistance is a key factor to successful story of Community Forestry and Village Forest establishment. Legality is a precondition, but the key aspect of creating successful sustainable forest management is demanded facilitation of community level capacity building. In this regard, community are not able to do capacity building by themselves, which is needed external assistance from government or other parties.

Learning from those programs, the Directorate General of Production Forest Development has commenced Community-based plantation forest (HTR), which is another mechanism/scheme of community empowerment offered as one of priority program in Indonesia to achieve SFM mission. HTR Programme was launched in 2007. Up to 2016 it is projected to rehabilitate 5.4 million hectares of logged over areas (LOA) and degraded forest areas under production forest land status. **The participants of this program are households or cooperatives. Each household is granted management right for a maximum of 15 hectares of production forest, where the size is determined by the cooperatives' financial and managerial capability and the number of the households. This scheme is in a small scale. Originally, this scheme is a conflict management and resolution strategy in production forest. In the same time, forest rehabilitation undertaken by the communities aim to provide domestic timber market. Non-wood forest products produced in the areas also provide income for communities. The increasing trend on multiple livelihood strategies on land also benefit from giving access to communities.** As an instrument for economic growth (the national revenues), HTR is expected too to be supplement raw material for forest industries produced by Industrial Plantation Forest (HTI). Meanwhile, as an instrument for people's livelihoods and empowerment, communities are given wider access to law, credit, and market.

Alongside with the HTR mission to rehabilitate production forest land as well as to enhance people's livelihoods, current HTR implementation, however, indicates not performed satisfactorily. Since the programme was launched in 2007, it has been allocated 5.4 million hectares of logged over area to rehabilitate. Up to March 2010, the real allocation units that have been appointed legally as CBPF concession units is just only 38,990.97 hectares distributed into 25 units of CBPF in different provinces throughout Indonesia.

Several problems may hindered the progress of HTR development. **One of them is weak capacity of intermediaries both from the government side and from NGOs roles in facilitating and assist the community groups develop their CBPF. Inadequate support to community to improve their capacity in technical and managerial aspect could be caused by various interpretation of HTR mission and vision among the stakeholders at national, provincial and local levels.** Not all of forest professionals, including forest professionals at national and local levels have understood HTR mission and vision. Meanwhile, forest technical persons at local level are the main agents to facilitate the program and have to interact with communities through day to day basis. Therefore, we face a limited number of persons that could play they role as facilitators. They need to have synergy with forest professionals at the Headquarter. In addition, lack of capacity about every aspect on HTR development (such formulating general Plan and operational plan yearly) among the forest community needs to be improved to ensure that HTR mission and vision will be achieved. **Being given the utilization right, Community ownership alone is not sufficient to ensure sustainable forest management and development of community forest enterprises. In fact, community are often poorly equipped to manage their forest sustainably.**

Another set of constraints to the development of CBPF/HTR can be their limited access to capital and markets. Being small and isolated, the CBPF is usually isolated from the market, and have limitations market access due to weak cooperation among forest communities and their enterprises. No economical feasibility assessment on products from CBPF have become constraint to entering wider market to promote the products.

If they have cooperated with their business partners to be raw material supplier of processing industries, there has no standard of prices could be offered. The communities do not have good bargaining position, since the market already captured. So, data of forest products from CBPF should be available **to related stakeholders such the processing industries, local government and the community forest owner,** and the market information of each products should be established. The Communities should be improved their knowledge and skills on entrepreneurship.

To overcome those issues, project proposals submitted to the ITTO under CFME thematic Program to support the development of Community Based Plantation Forest in Indonesia. The proposed project will focus on : a) Improving the knowledge and skills of CBPF/HTR owner; b). Enhancing the capacity of intermediaries as facilitators included government staff at district, province and central office in carrying out the facilitation roles including to find financial support ; and c). **Find simple financial scheme** and develop networking with the communities enterprises to promote their CBPF products entering wider market access.

1.2 Relevance

1.2.1 Conformity with ITTO's objectives and priorities

(1) Compliance with ITTA 2006

Building the Capacity of Stakeholders for the Development of Community-based Plantation Forest (HTR) in Indonesia is fully conform with the objectives of the International Tropical Timber Agreement (ITTA) 2006, on article 1 in specifically on paragraph:

- c) Contributing to sustainable development and to poverty alleviation; **By giving access to the communities to develop and manage state-owned plantation forest, it is expected will escalate local community prosperity and capacity of sustainable forest management.**
- d) Enhancing the capacity of members to implement strategies for achieving exports of tropical timber and timber products from sustainably managed sources; **After project is completed, result of the project will be documented in a report that could be issued and accessed by the members of ITTO. Implemented strategies in the project could be replicated by other ITTO's members**
- j) Encouraging members to support and develop tropical timber reforestation, as well as rehabilitation and restoration of degraded forest land, with due regard for the interests of local communities dependent on forest resources; **Some of project activities consists of plantation development by communities will be carried out at the degraded forest area. Community Plantation Forest (HTR) Programme is projected to rehabilitate 5.4 million hectares of logged over areas (LOA) and degraded forest areas under production forest land status. The primary concern is increasing forest contribution to economic growth as well as to people's livelihoods (pro-growth, pro-job, pro-poor). As an instrument for economic growth (the national revenues), HTR is expected to be supplement raw material for forest industries produced by Industrial Plantation Forest (HTI).**
- r) Encouraging members to recognize the role of forest-dependent indigenous and local communities in achieving sustainable forest management and develop strategies to enhance the capacity of these communities to sustainably manage tropical timber producing forests; **Similar to the above explanation, Community Forest and Village forest is a former government's creation policy in forestry sector which has an opportunity to govern forest management practices developed by community where they have been long time assumed as forest encroacher. In other hand, this policy is also having opportunity to escalate community's welfare, alleviating poverty and opening job vacancy for local people. In supporting this policy, according to the goals, there should have been created some efforts and initiations which are supported by many parties. In addition, inter sectoral program integration should also be considered.**

(2) Compliance with ITTO Action Plan 2008-2011

The proposed project complies with various aspects as raised in the ITTO Action Plan 2008-2011 particularly in the commission of Economic Information and Market Intelligence . Several activities relates to:

GOAL 1:Improve transparency of the international timber market

With action : Compile and disseminate information on the marketing prospects of lesser-used timber species, non-timber forest products and environmental services and the development of markets for them. **The proposed project activities will related to the plantation development carried out by communities. The plantation species will be depend on the site specific and local preference that usually are lesser-used timber species. After project completed, the tree species been planted will be recorded and documented, including its market's opportunity in the project report. Everybody could access this information both from hard copy of the report, as well as from the soft copy uploaded in the Ministerial of Forestry website.**

GOAL 2: Promote tropical timber from sustainably managed sources

Actions as follows :

1. Promote public awareness of progress made in implementing sustainable forest management and in the increased availability of tropical timber from sustainably managed sources
2. Provide a forum for discussion on non-discriminatory trade, subsidies for competing products, shortcomings in enforcement of forest law and regulation, and other factors that may affect the marketability and access of tropical timber products.
3. Assist members, as appropriate, to build capacity to engage in voluntary certification to enhance the market acceptance of tropical timber and tropical timber products.
4. Regularly analyse the market and product requirements and specifications that have to be met in order to develop exports of added-value products.

Expected outcome 4: Increased supplies of tropical timber from sustainably managed and legally harvested sources; the activities include:

1. Undertake regular studies of the competitiveness of tropical timber and non-timber products compared with non-tropical timber and non-timber substitutes
2. Promote public awareness of progress made in implementing SFM and of the increased availability of tropical timber from sustainably managed and legally harvested sources
3. Provide a forum for discussion on nondiscriminatory trade, competing products, shortcomings in the enforcement of forest laws and regulations, and other factors that might affect the access and marketability of tropical timber products

Under the output 3 and its activities, data on community forest products and supplies of tropical timber from sustainably managed and legally harvested sources will be available. The dissemination of information could be conducted through attending conference/seminar, carry out international seminar, upload info in the Ministerial website.

(3). Compliance with Thematic Programme

The proposed project coherent with the general objective of the Thematic Programme which is to contribute to poverty reduction in tropical forest areas by: (i) strengthening the ability of forest communities and smallholders to sustainably manage their tropical forest resources; and (ii) assisting CFEs to add value to and market the products and services obtained from these resources.

The proposal is also consistent with the program objectives such as:

A. Strengthening of community-level capacity in sustainable forest management and adding value for the forest resource, with the activities are:

- 1). Support capacity building of forest communities and community enterprises
- 2). Support capacity building of community-based cooperative organizations (associations, alliances and networks).

B. Strengthening of country capacity and enabling conditions in the development of community forest management and community forest enterprises, with the activities:

- 3). Support to training and extension programmes, including on value addition and product development as well as business management and marketing skills, management of secondary forests for timber production, restoration of degraded areas and reforestation as appropriate in local conditions.
- 5). Support to development of national policies, legislation and strategic planning for community forestry.

C. Knowledge management.

- 6). Support to knowledge generation on community forestry and CFEs, including traditional indigenous forest uses and management methods.
- 7). Support to dissemination and sharing of experience.

The proposed project activities will relevant to those above CFME Thematic Program such :

Activities of output 1 inter alia:

1.1. Training activities on several aspect of plantation forest development (general planning, land preparation, planting trees, technic of harvesting, financial plan and other administration including building network between community organizations and prospecting buyer). These activities will support the capacity building and improve the capacity of the forest communities and community enterprises.

1.2. Attending conference and presentation or carried out seminar/ workshop inviting international participants will support to disseminaion and shariing the experience.

1.2.2 Relevance to the submitting country's policies

Community-based plantation forest is **a part of eight Ministry of Forestry's priority program wich is community empowerment within and around forest . The CBPF is also** related to other several programs at the Indonesian Ministry of Forestry and, such as, eliminating illegal logging, reducing illegal use of tropical forests, supporting industrial forest plantation, development of wood-based industry and reducing greenhouse emissions. The **proposed** CBPF-project will support the above mentioned programmes and should be co-ordinated to take in account synergies with already on going programmes.

Other empowerment community's programme at the Ministry of Forestry are Community Forest and Village Forest. With target of 2,5 million hectares for period of 2010-2014. It is expected that this policy could contribute to the achievement of Millenium development Goals through reduction of poverty line including accelerating of forest rehabilitation as efforts of mitigation and adaptation to the climate change.

To support the high cost of the community 's plantation development, the Ministry of Forestry has promoted a National Forest Fund which is mandated in Explanatory Notes of Article 28 of Forestry Act no. 41/1999. The Funds raised by National Forest Fund will be used largelly for effective reduction of deforestation and Sustainable forest management.

Several others of Regulations had been formulated to govern the Community-based Plantation Forest Establishment such following:

1. Basic Forestry Law No. 41 year 1999
2. Government Regulation No. 6 year 2007 Jo PP No. 3 year 2008 concerning Forest Governance and Planning Formulation as well as Forest Utilization.
3. Ministry of Forestry Decree No. P.23/Menhut-II/2007 Jo. Permenhut No. P.5/Menhut-II/2008 concerning Procedures of Proposing Plantation Forest Concession Permit.
4. Decree of Director General of Production Forest Development No. P.06/VI-BPHT/2008 on 17 September 2008 concerning Revision of the Director General Decree No. P.06/VI-BPHT/2007 concerning Guidelines of Plantation Forest Development.
5. Decree of Director General Production Forest Development No. P.02/VI-BPHT/2009 dated 30 Januari 2009, concerning Guidelines of Plantation Forest Development with Partnership scheme and Developer Scheme.
6. **Ministry of Forestry Decree number P.98/Menhut-II/2010 dated 27 January 2010, concerning the Ministry of Forestry Strategic Planning year 2010-2014 which has its programme to improve the social welfare of the community in and surround the forest, and increase the capacity of forest community as well as improve the environmental quality.**
7. **Decree Ministry of Finance No. 137/KMK.05/2007 concerning the Establishment of National Development Fund as a Government funding agency to manage special fund for Plantation Development.**

1.3 Target Area

1.3.1 Geographic location

The project activities in improving capacities will be conducted for target group communities, mainly license holder of forest plantation and relevant parties as well as the local government (provincial and district level). Target area have been selected based on several considerations: the accessibility, the size of CBPF (be selected at three units of CBPF : small, middle/moderate, and big areas), the readiness to implement the activities, readiness of facilitators, and scheme or type of the plantation development by communities.

Three locations have been selected to be a site of this project. The first site is at Lombok Tengah district, West Nusa Tenggara Province. The location is selected since they have a good and active NGO to facilitate the community group. Eventough the facilitator has been ready, however, a permit or assignation of this community group to manage the production forest is not released by the head of district. Assistance supports will try to facilitate communities in processing the permit. The series of facilitating activities are expected could be a good example for the communities how to process a district permit, and prepare an overall working plan.

At this site, there has been allocated an area with total : 895 ha. The utilisation of assigned community' plantation forest area will implement sylvo pasture model (which is the program will combine and mix a plantation activities with cattle management in between the planted tree). The Nusa Tenggara islands have been widely known as a supplier of good quality of cows and goats both for meat producer and for young traded cattle. Therefore, the facilitation activities will cover a facilitation of getting permits communities plantation forest and capacity building to improve communities capacity in managing the plantation forest and capacity local government staff to monitor and evaluate the program. Another reason is the Technical implementation unit at local site has prepared and allocated fund to train 6 local facilitators.

The next location is in West Kotawaringin district, Central Kalimantan Province. The plantation permits had been issued by head of District, and the institution of forest plantation rights' owner is a cooperative body namely Koperasi Anugerah Alam Permai, with total area permitted is 1.744 ha. The scheme of plantation development is a partnership model between the rights's owner and investor. The communities are interested to plant rubber (hevea brasiliensis sp. Etc) since they have been familiar with this tree, and skilled in tapping the rubber with simple method. The rubber produced have been known having good quality. For additional information, this site is neighbouring with the area of private concession PT Korindo group, a commercial and private plantation rights' owner who had planted their area with Eucalyptus urophila, mangium and pelita species for pulp and paper material. The communities are not interested to partner with PT Korindo since the communities' timber will be priceless by the private concession and the communities doesn't have good bargaining power. A facilitation and support will be needed to assist the communities' group develop their plantation based on their preference, but fit with the local condition, and good market available for their timber products.

The third location will be in North Minahasa district at North Sulawesi province. The Ministry of Forestry has allocated area 7.950 ha. The plantation communities' right had been issued by head of district based on personal permit and the total right area issued are 5.691 ha. The scheme will be implemented is a Developer scheme which is the communties' right owners will develop their plantation based on their own capacities and the investment/fund for develop their plantation will be proposed to a government financial institution known as National Forest Fund which is specificly established to finance and provide revolving funds to the community forest owners namely BLU- Pusat P2H. Such assistance and facilitation are needed to provide capacity building to improve the communities' capacity in preparing basic planning and other managerial skill. Local government implementation unit have prepared such fund for a training and facilitation activities.

The three selected areas will represent the difference of social, cultural and environmental background. Selecting one unit in West Nusa Tenggara (NTB) will be as an example to other

forest community unit on how to process the permit for attaining formal community forest utilization right. The sylvo pasture scheme in NTB will be unique example too. The CBPF at Kotawaringin Barat, Kalimantan Tengah Province facing the same problems in manpower capacity, lack of local government's role in facilitating CBPF development. This CBPF unit cannot be a partner with a business company nearby their area which is a Korean-Indonesian joint company namely Korindo Hutan Lestari. The CBPF unit had been offered to collaborate through selling their products to this processing industry. However, the price for the products was not agreeable. The communities prefer to plant rubber, but they do not established their own organizational yet and they have low population, so, the facilitation and technical assistance is deemed necessary.

In the third location Minahasa Utara district, Nort Sulawesi Province, The concession permit has been granted to a privately and personal entity. The scheme will be implemented is a developer scheme which is the owners right will develop plantation by their own institution and the fund will be proposed to the National Forest Fund which is specifically established to finance and provide revolving funds to the community forest owners namely BLU- Pusat P2H.

1.3.2 Social, cultural, economic and environmental aspects

Social Cultural Aspect

The Lombok Tengah district, consist of four villages which is: Dusun Lendang Lantung, Desa Tumpak, at Pujut district and Plambik at Praya Barat Daya district had activities to collect and manage honey bee, other village such Aik Berik, at Batukliang district and Rembitan at Pujut sub-district had activities related to Community Forests (HKM) with area 1,809 Ha and 50 ha. The communities have been familiar to plant the multipurpose trees such as fruit trees and other commercial trees such tectona and mahoni species.

Kotawaringin Barat district at Kalimantan Tengah province consists of 8 sub district and 153 villages. The communities preference to plant rubber at their concession will be considered and studied during the facilitation as well as its market potential.

Minahasa utara at North Sulawesi is one example of personal rights entity. The facilitation and assistance is deemed necessary since the owner's lack capacity on technical and managerial aspects. Assistance will be focus first in establishing formal institution, and the process of asking/proposing external funding from the National Fund Body.

Through the Proposed project, it is expected could contribute to reduction in rural poverty and improved livelihoods through sustainable plantation forest management, improved access to forest resources and their products, increased employment and income in forest communities from productive activities as well as community empowerment. **At the three proposed location, even though communities had have their own activities before the project, their livelihoods, however, are still categorized less developed and below the poverty line. Social conflicts are quite often for land tenure issues. Giving the access right and the capacity building activities through training and facilitation,** will strengthened community-based organizations and networks, and improved skills. For the civil society organization, the proposal' benefits derive from strengthening their capacity to support forest communities in improving their livelihoods, reduced social conflicts in forest areas, improved institutional implementation capacity including forestry education and research.

Economic Aspect

This project will be of benefit to the economy through development of legally and to improve of legal market for trade forest products from community forest and community plantation forest which contribute a large share of revenue to national and regional economy. For the Private Sector, the benefits derive from (a) increased supply of wood raw material, (b) improved cooperation with local communities and smallholders, and (c) practical demonstration of corporate social responsibility on cooperation with forest communities, including sharing benefits and responsibilities.

With different scheme that will be implemented, such sylvo pasture at West Nusa Tenggara, partnership program at Kotawaringin Barat district, and developer scheme in Nort Minahasa, it could be compared then, what character and typical of plantation scheme/system could be success factor for learning process

By introducing sustainable community plantation forest management, the legal supply of timber could be produced and supplied to the processing industries. Trading legal timber from community forest and community plantation forest will affect and contribute a share of revenue to the local and national economy. The available Market information on the communities' timber products will be useful to the government and the buyer and this will ease the products being traded.

Environmental Aspect

The proposed activities: developing community-based plantation forests, directly involving local communities in forest conservation, sustainable use and by improving other benefits, with the consequent reduction in pressure on degradation, and inappropriate forest land use change (strengthened natural assets). The impacts would include expanded forest cover and improved forest quality as a result of reduced impact harvesting, protection, reforestation, conservation and other measures of SFM.

1.4 Expected Outcomes at project completion.

It is expected that upon completion of the project, knowledge and skills of community forest owner in implementing sustainable plantation forest improved, improved access by CFEs to capital, energy, technology, and strengthened marketing capacities (Strengthened financial and physical assets).

At the end of project, the utilization rights for communities forest plantation at Lombok Tengah district being granted, and its management plan of plantation development formulated. At least two sub district in Lombok Tengah district, NTB Province developed their plantation forest with sylvo pasture scheme: combining and mix management of tree planting with cattle producing.

At the end of project, at least 4 sub district at Kotawaringin Barat district planted their concession area with the best site species. The rubber trees will be planted if the site match for rubber. Access to capital and technology improved and market accessed available. At Minahasa Utara, the personal right owner's capacity in managing and implementing sustainable plantation forest improved. The physical and financial assets strengthened.

In general, the programme contributed to reduction of rural poverty and improved livelihoods through improved access to forest resources and their products. Employment opportunities in three location increased and income from productive activities developed.

By the end of project, it is expected that as the local economy of forest dependent community in three locations (NTB, Kotawaringin Barat and Minahasa Utara) increased, illegal logging and related illegal trade reduced. Their community plantation forest managed sustainably.

PART 2. PROJECT RATIONALE AND OBJECTIVES

2.1.1. Institutional set-up and organizational Issues

The Indonesian Ministry of Forestry has launched a major program on community-based forest plantation (CBFP) which is intended to achieve sustainable forest management through community welfare enhancement. This program provides an opportunity to communities especially households or cooperative of households living in the vicinity of forests to access forest resources. By this program each household is allocated a maximum of 15 hectares of production forests. Meanwhile, cooperatives could be allocated forest areas depending on their financial, managerial capability and number of households. Funding is provided through optional loans from a public service body. The target for the development CBPF of small holder forests is 5.4 million hectares, and it is included in the overall target to raise industrial forestry plantations to 9 million hectares in 2016. This level of industrial forestry plantations would meet the domestic timber market, would provide enough foreign exchange to satisfy financial needs, and would allow the remaining 100 million hectares to be set aside as conservation forests. Currently industrial forestry plantations extend only to 3.2 million hectares.

However, weak organization of forest communities and limited capacity among CFEs due to lack of technical business and managerial skills have hindered the progress of CBPF implementation. The institutions within the community group have not been established.

In CBPF Programme, the forest owner who have had a legal license, should prepare the development of plantation at their approved areas. In doing this, Government **through the Ministry of Forestry (the Directorate General Production Forest Development) should give** facilitation included making area boundaries and delineation, and formulate general plan, including its operational yearly plan and its related Standards of Procedures. The facilitation roles are responsibilities of the Technical Implementation Unit of Directorate General of Production Forest Development at provincial level (it is called BP2HP) and assisted by the Technical Unit of DitGen Planologi (namely BPKH). Local government at district level will be responsible to cooperate with local NGO to assist technical matters in developing CBPF daily activities in the field. **The real situation in the field, however, those institutions such The Directorate of Plantation Forest Development, Technical unit of Directorate General Production Forest in Province and Planologi Technical Unit are lack of capacity to assist and facilitate the communities plantation program. This institution has one assigned sub Directorate which their main task is concerning Community Plantation Development. They have 2 sub section which the task is divided based on regional territory such as territory 1 (Western part of Indonesia), and territory 2 (Eastern part of Indonesia). The Sub Directorate could not carry out the facilitation since it should be the task of their Technical Implementation Unit at the Province namely BP2HP (Agency for Monitoring the Production Forest Utilization). However, this institution is not in enough capacity to do the facilitation. The government staff level from central to province need to be improved their capacities in assisting communities forest owners. Meanwhile the existing experienced NGO could assist in doing the facilitation to the communities.**

Group of community forest owner **should be** assisted to formulate a general working plan, utilize, monitor and manage their forest in sustainable way. Programme strategy would focus on participatory planning and implementation where communities define their own needs and market acceptance should be **considered and** prioritized.

Other related Government Institution who will involved in CBPF development is a National Forest Fund which is specifically established to finance and provide revolving funds to the community forest owners. The community access to the government "bank" should be facilitated by the staff of the National Forest Funds (namely BLU: Badan Layanan Umum). **This institution was established in 2007 by the decree of the Ministry of Finance number 137/KMK.052007 as an alternative financial institution to finance forest plantation development,**

Since the relevant institutions including government whose involved in the development of Plantation Forest are variety in background of social, cultural, economy and environment protection (**local government, staff technical forestry units, national forestry staff, national funding agency**), it is planned that at the early stage of activities, those stakeholders should be briefed first. The capacity in delivering information should be improved as well. **Therefore, coordination and the enhancement of capacities of those agencies are very important.**

2.1.2. Stakeholder analysis

Stakeholder identification offers an opportunity to encourage interested individuals and groups to participate in the project from its outset. Their participation at this stage allows the planning of participatory activities in subsequent stages.

The involvement of stakeholders in the first stage of identification is particularly important for creating a sense of ownership among them that will help ensure their full commitment to the project. This, in turn will assist in the effective and smooth implementation of the project and the sustainability of activities after completion. The below table show various stakeholders who will be involved at the project implementation.

Stakeholder Group	Characteristics	Problems, needs, interests	Potentials	Involvement in the project
Primary Stakeholders				
Community farmers/forest owner/manager in 3 locations: <u>West Nusa Tenggara</u> <u>Kotawaringin Barat</u> <u>Central Kalimantan and</u> <u>Minahasa Utara</u> <u>Sulawesi Province.</u>	Forest dependent Within & around the forest Derive income from the forest Community owned the land planted with forest tree species <u>Communities in Lombok usual to graze the cattle in the forest area.</u> <u>in Kotawaringin Barat is less populated</u> <u>as well as in Minahasa Utara the institution for community plantation is not established yet.</u>	<ul style="list-style-type: none"> • Base for Livelihoods threatened • Lack of knowledge and understanding about technical forest activities. • Lack of financial capacity 	<ul style="list-style-type: none"> • They are close to the resource/ access • They have traditional knowledge • Interested to expand their market access 	<ul style="list-style-type: none"> • Primary project beneficiaries • Local communities will get necessary information and improve capacity as well as adequate economic incentives to manage forest sustainably
Small/medium sized forest enterprises/ forest industries <u>at three locations:</u> <u>NTB, Central Kalimantan & Minahasa utara, Nort Sulawesi</u>	Limited capacity and financial support	Need technical support to develop systems of administering the timber from community plantation	<ul style="list-style-type: none"> • Producers of processing forest products • Market for the timber produced by CBPF 	<ul style="list-style-type: none"> • Primary project beneficiaries. • Will use the supply timber from CBPF areas.
Secondary Stakeholders				
Local NGOs <u>As facilitators and giving intensive day to day assistance, including consultative process.</u>	active and having basic communications skills to approach communities	Need improved knowledge, and skill to increased the facilitation capacity.	<ul style="list-style-type: none"> • The local NGO have similar traditional background at socio-culture with the community forest owner. 	<ul style="list-style-type: none"> • Project partner • Involved in some activities related to improving capacities such as training on participatory planning <u>giving consultation.</u>
Technical Implementation Unit of DG of Production Forest Development at Provincial (BP2HP).	Having responsible to facilitate and assist CBO in delineating, boundary marking and mapping of their working area, together with the Technical Implementation Unit of DG Planology.	Lack of capacity in coordinating several different related stakeholders.	They have authority in monitoring and assessing the progress and performance of CBPF Development.	<ul style="list-style-type: none"> • Facilitators and giving technical assistance in preparing and carrying out area delimitation, formulating general working plan
National Forest Fund Institutions established specifically to provide funds to support forest rehabilitation and forest plantation development activities. (namely BLU)	Having authority to support the funding needs in the development of CBPF.	Limited number of staff and lack capacity on dissemination all of the rules and regulations needed to use the funds provided by BLU.	The institutions have enough sources of fresh money to support the development of plantation Forest Development.	<ul style="list-style-type: none"> • Preparing scheme of funding assistance such as revolving fund scheme to everybody who are interesting to establish plantation development.
Local Government	<ul style="list-style-type: none"> - Locally based - They have resources - They also have Regulations, law enforcement & power problem 	Limited coordination Lack of capacity in carrying out facilitation works	<ul style="list-style-type: none"> - Have authority In district/ provincial level - Can mobilized people in the community - They have network in provincial and 	<ul style="list-style-type: none"> • Involved in project activities mainly in facilitating dialogue and discussion in provincial and district level , • Working together with Executing Agency in providing field data and information related to

			district level	community plantation forest
National Government <i>Directorate of Plantation Development,</i> (Directorate General of Forest Production)	Managing natural and plantation forests	High pressure on natural forest . Should promoting plantation forest Should promoting community forests and community plantation forests. Should improve the capacity building of forestry communities	Having resources Having network Having experience in preparing curriculum and conducting the training activities.	<ul style="list-style-type: none"> • Project implementing agency • Policy makers will create proper policy and strategy in order to support plantation forest development. • Provide manual for training activities with target group are: communities, small/medium forest enterprises, local independent monitoring body, local government
Tertiary Stakeholders				
Forest Resesearch and Development Agency	Actively doing research on timber species, site specific matching, etc. for all purposes.	Lack of coordinating and disseminating the result of research activities.	Having complete data and information on timber species that could be planted in any sites specific. Complete info on silvicultural technics, social development, economical study of certain timber species.	<ul style="list-style-type: none"> • Supporting Agency in providing information on technical matters of forestry development.

2.1.3. Problem Analysis

Problem to be addressed

Deforestation and forest degradation in Indonesia continues with a significant rate. It does not impact only to its inability to provide services at local scale, but also at regional and global scales. At local level, deforestation and forest degradation will reduce forest resources to provide economic (raw material supply to the forest industry) and social benefit for communities (limited access and limited resources) as well as environmental benefit (unproductive and open forest areas are increased, causing such complicated effects) . Meanwhile, at regional and global levels, Indonesia will lose a significant income contributed by forestry sector.

Since reforms era in 1998, policy of forest management has been shifting to a more participatory forest management system with its character of empowering community. Act no. 41 on Basic Forestry Law, explicitly illustrates its alignments to local community and its reflected in articles. Regarding those policy, community who are living inside and around the forest able to manage or utilize state forest zone legally.

Community-based plantation forest (HTR) is offered as one of priority program in Indonesia to achieve SFM mission. HTR Programme was launched in 2007. Up to 2014 it is projected to rehabilitate 5.4 million hectares of logged over areas (LOA) and degraded forest areas under production forest land status. The primary concern is increasing forest contribution to economic growth as well as to people's livelihoods (pro-growth, pro-job, pro-poor). As an instrument for economic growth (the national revenues), HTR is expected to be supplement raw material for forest industries produced by Industrial Plantation Forest (HTI). Meanwhile, as an instrument for people's livelihoods and empowerment, communities are given wider access to law, credit, and market.

Sustainable forest management cannot be merely achieved through the development of forest physically. Successful physical development is determined by the capacity of human asset. Therefore, human capacity and capability are the basis for the development of other aspects. Building capacity includes the change of perceptions about the objectives of the development of HTR. Besides changing perceptions, there should be increasing knowledge on HTR planning, implementation, marketing, monitoring, and evaluation. Increasing knowledge will improve understanding and knowing that every activities of HTR should lead to SFM, particularly in relation to increasing the interplay

among various scales e.g. globalization on land use. Changing perceptions and increasing knowledge on every aspect of HTR development are expected to be realised in actions. Further result expected is helping minimise unsound forest management e.g. illegal logging, forest land conversion and other unsound practices of forest land use.

Alongside with the HTR mission to rehabilitate production forest land as well as to enhance people's livelihoods, current HTR implementation, however, indicates not performed satisfactorily. Since the programme was launched in 2007, it has been allocated 5.4 million hectares of logged over area to rehabilitate. Up to March 2010, the real allocation units that have been appointed legally as CBPF concession units is just only 38,990.97 hectares distributed into 25 units of CBPF in different provinces throughout Indonesia.

By this program each household is allocated a maximum of 15 hectares of production forests. Meanwhile, cooperatives could be allocated forest areas depending on their financial, managerial capability and number of households. Funding is provided through optional loans from a public service body or specific National Forest Fund agency which was established by the Government to promote projects directly or indirectly contribute to the conservation and the sustainable forest management by means of non-reimbursable financing.

As activities in several sites who have approved rights had not been executed yet, the Ministry of Forestry had carried out several regional seminar to discuss the causes of slow down progress. Several problems identified as the causes of slow progress of HTR development. One of them is weak capacity of intermediaries both from the government side and from NGOs roles in facilitating and assist the community groups develop their CBPF. **Inadequate support to community to improve their capacity in technical and managerial aspect is caused by the limited facilitators.** Community ownership alone is not sufficient to ensure sustainable forest management and development of community forest enterprises. In general community are often poorly equipped to manage their forest sustainably. **They need external assistance both fund and technical as well as managerial aspects.**

Lack capacity of government staff and other NGOs as intermediaries, is caused by there has no regular program to improve capacity of the government staff through training. No modules prepared for the capacity building of the local government will caused no training activities had been done. Number of persons that could play they role as facilitators is limited. They need to collaborate with the other civil society, or NGO in doing the facilitation. Capacity building for both of this group stakeholders is needed to create new attitudes and skills to enhance their facilitation role.

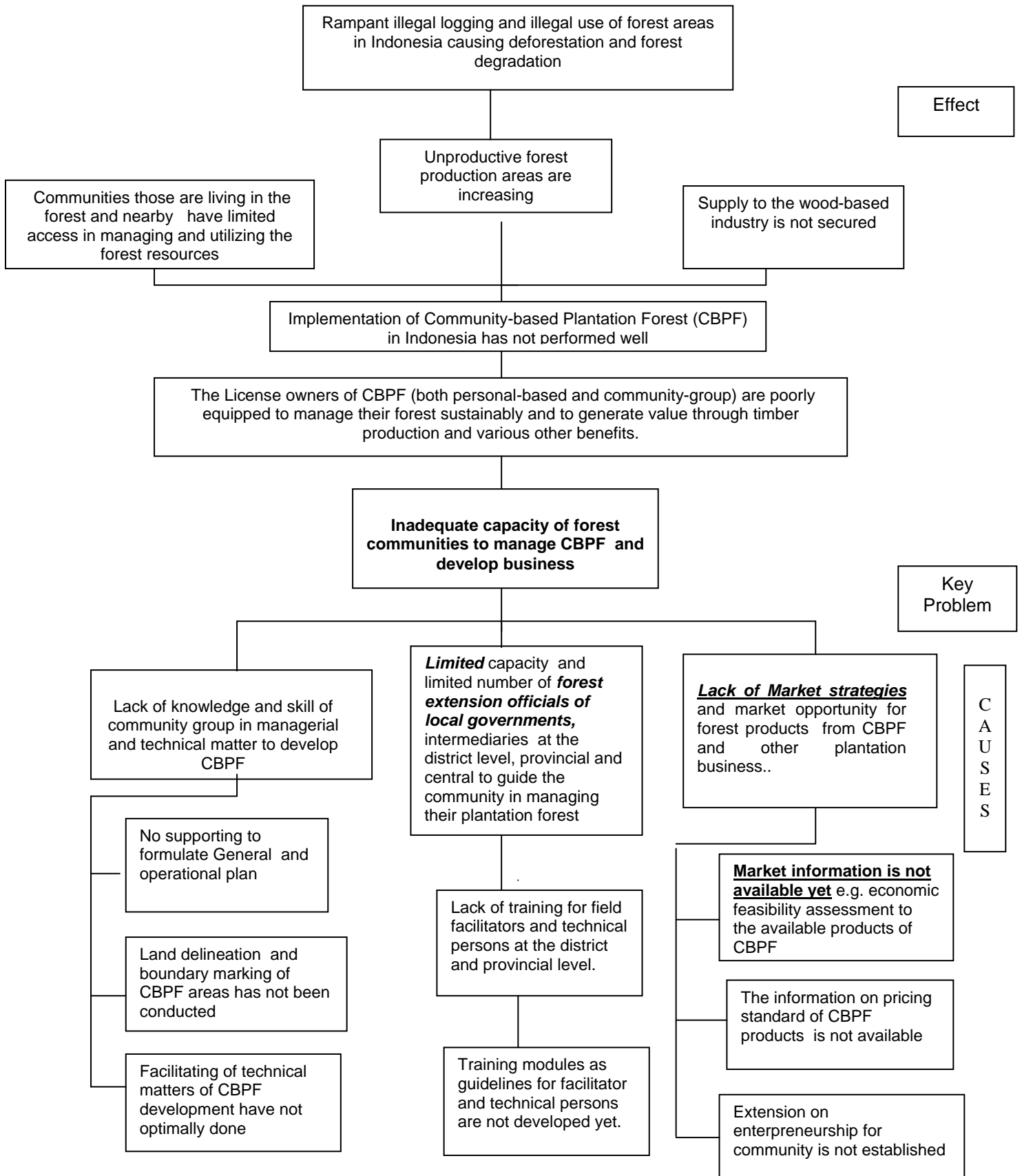
Lack of capacity about every aspect on HTR development including technical and managerial skill among the forest community needs to be improved to ensure that HTR mission and vision will be achieved. Lack capacity in technical matters had been caused by no supporting to prepare the general plan and operational working plan of CBPF. Delineation of working area and boundary marking that should be carried out by the Government side from the Technical Implementation Unit in the Province, has not carried out yet. No participatory approach conducted to the community and the facilitators for field preparation. Technical Field expert needed to guide the day to day technical aspects of CBPF development including selecting the method of harvesting, and plan the market strategy for CBPF products.

Another set of constraints to the development of forest communities, smallholders and their enterprises can be their limited access to market information and market opportunity. The market access has not open yet caused by there has no economic feasibility assessment to the available products of CBPF. Information on pricing standard and market strategy of CBPF products is not available and established. Community have low bargaining position for the products sold to the industry. No extension activities carried out to improve the entrepreneurship for this community groups. **As market actors, the community cannot tap the sales price potential of their products. Communities and other small scale forest enterprises are particularly disadvantaged in meeting the increasingly demanding complex market requirement**

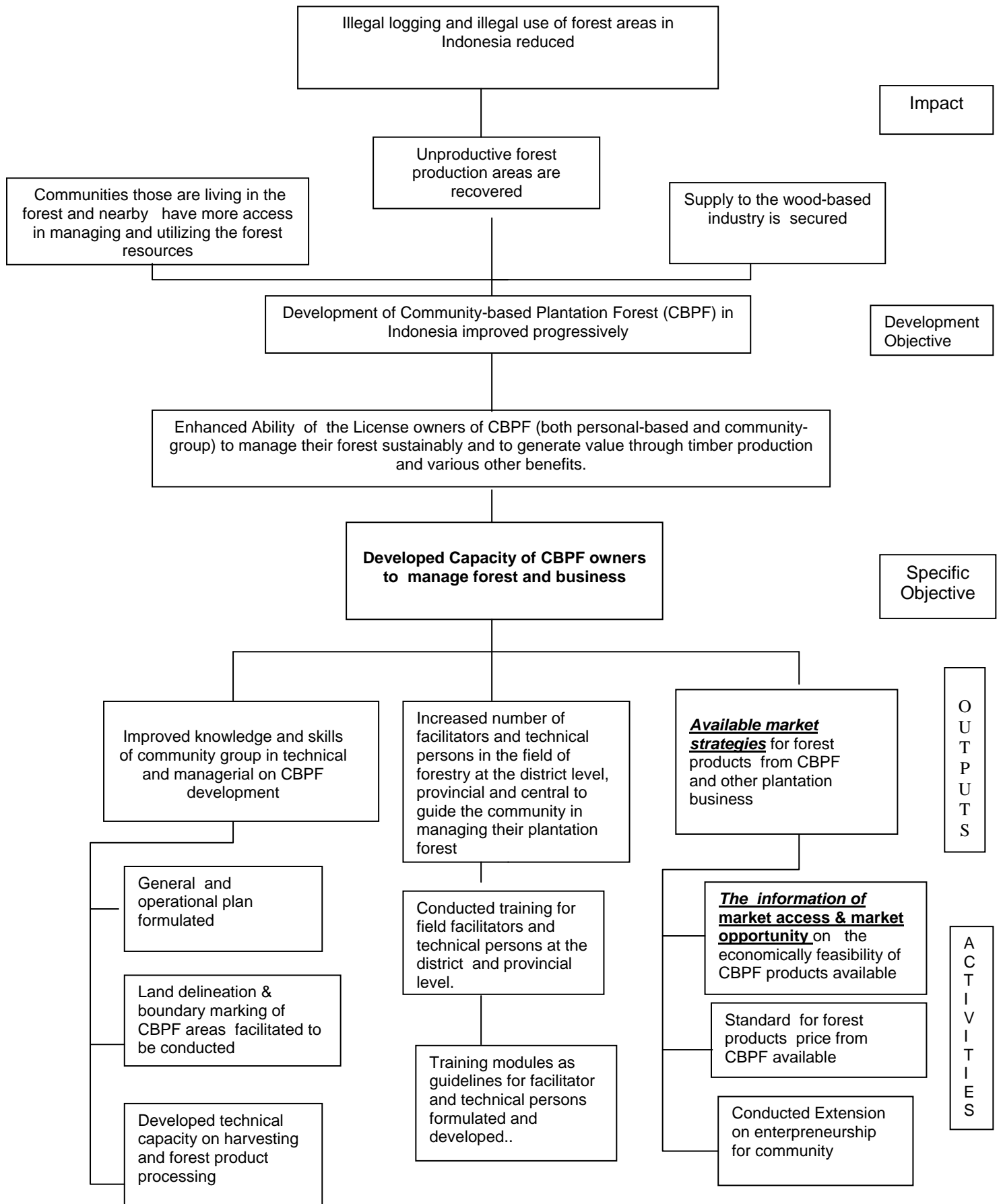
The Directorate General of Production Forest Management will select several experts that have experience of developing sustainable forest management and is continuously developing systems and tools for more effective processes in forestry. Besides biological and technical plantation forestry experience,. The expert/consultant hired should also an expert organisation which has the capacity to share its expertise with different customers in terms of consulting and training. Those skills have a specific importance in capacity building of the partner organisation, the Ministry of Forestry. **Program interventions would aim at strengthening organizational, managerial and technical skills and the business development of community enterprises, including their business plans and marketing strategies.**

The following problem tree and objective tree will show what is the key problem and its causes and effects.

PROBLEM TREE



OBJECTIVE TREE



2.1.4 . Logical Framework

Strategy of Intervention	Measurable Indicators	Means of verification	Key Assumptions
<p>Development Objective : To Support the development of Community-Based Plantation Forest in Indonesia.</p>	<p><u>One unit CBPF in Lombok Tengah granted their utilization right, plus management plan formulated. Two selected units of CBPF at Kotawaringin Barat Kalteng and Minahasa Utara, North Sulawesi</u> are improved their knowledge and skills in managing their forest and business. <u>The plantation development carried out based on best practice of SFM.</u></p>	<p>Project's Report Community's Operational report</p>	<p>Adequate political will to implement declared commitments on necessary changes in the legal and institutional framework to develop community forest management.</p>
<p>Specific Objective: To improve the knowledge and skills of CBPF owners in managing their forest and business</p>	<p>Indicators:</p> <ol style="list-style-type: none"> 1. <u>One unit CBPF at Lombok Tengah, NTB granted their utilization rights, two selected units of CBPF at Kotawaringin Barat Kalteng and Minahasa Utara North Sulawesi improved their knowledge and skill to manage the plantation forest,</u> produced their management plan including plan of forest cultivation. 2. Increased capacity of intermediary & Number of facilitators and technical persons in the field of forestry at several districts and at 3 provinces. 3. <u>Market strategy of forest products</u> from 3 selected units of CBPF available. 	<p>Document of Planning of each UM CBPF.</p> <p>Training report, Human Resources Data at Provincial, and District</p> <p>Consultant's report</p>	<p>Government agencies be able to provide necessary support and facilitation.</p> <p>Number of qualified trainer are available at the same time.</p>
<p>Output 1 Increased capacity of intermediary, Increased number of facilitators and technical persons in the field of forestry at the district level, provincial and central to guide the community in managing their plantation forest</p>	<ol style="list-style-type: none"> 1.1. One package of Training modules as guidelines for facilitator and technical persons formulated and developed 1.2. Conducted 9 trainings for field facilitators and technical persons at the district and provincial level. 	<p>Training Report List of attendants.</p>	<p>A Number of training consultant's are available at the same time since the training will be conducted simultaneously in 3 units of CBPF.</p>

<p>Output 2</p> <p>Improved capacity of community group at three locations (NTB, Kalimantan Tengah and Minahasa Utara) on technical and managerial in developing CBPF</p>	<p>2.1. Land delineation of 3 units CBPF areas conducted</p> <p>2.2. A package of General and operational plan formulated</p> <p>2.3. Developed technical capacity on forest harvesting and product processing at the 3 units of CBPF.</p>	<p>Field Report, Document of planning of each UM CBPF</p> <p>Report of activities.</p>	<p>Government and CBPF staff are ready to delineate the areas of 3 units of CBPF.</p> <p>General working Plan should have been discussed with relevant stakeholders such local, provincial And central forestry office</p>
<p>Output 3</p> <p>Available information on market access and market opportunities for forest products from CBPF and other plantation business <u>for the benefit of the Central Government and provincial stage.</u></p>	<p>3.1. <u>A Draft of market strategy for forest products from CBPF available</u></p> <p>3.2. The information on the pricing standard of CBPF available <u>for the Government and the communities group as well as the forest industries</u></p> <p>3.3. Several Extensions activities conducted on entrepreneurship for community</p>	<p>Consultant's report Project report.</p>	<p>Government support the system of information. The member of community groups are actively participate in the meeting.</p> <p>Number of facilitators are available at the same time, and they are qualified in the business development.</p>

2.2. Objectives.

2.2.1. Development objective and impact indicators

Development Objective :

To support the development of Community-Based Plantation Forest in **Indonesia which carried out based on best performance of SMF.**

The long term impact indicators are :

1. By the end of project, the community access **at the three provinces** in managing and utilization of forest resources improved.
2. By 2015, unproductive production forest areas planted by the community-based plantation activities.
3. By 2020, supply for wood-based industry fulfilled from the community-based plantation forest area **at three provinces (West Nusa Tenggara, Central Kalimantan and North Minahasa)**

2.2.2. Specific objective and outcome indicators

To improve the capacity of CBPF owners **at three provinces** in managing their plantation forest and business

Outcome indicators:

1. **By the end of project, One unit CBPF at Lombok Tengah, NTB granted their utilization right; two selected units of CBPF at Kotawaringin Barat Kalteng and Minahasa Utara**

- North Sulawesi improved their knowledge and skill to manage the plantation forest, produced their management plan including plan of forest cultivation and market accessibility***
2. By the end of project, capacity of intermediaries for **three selected areas improved** and increased number of facilitators and technical persons in the field of forestry at the district level, provincial and central level, to guide the community in managing their plantation forest
 3. By 2015 , economical feasibility assessment conducted and information on market access for forest products from CBPF and other plantation business obtained **as well as the market strategy available.**

Part 3. DESCRIPTION OF PROJECT INTERVENTIONS

3.1. Outputs and Activities

3.1.1. Outputs

1. Improved capacity of intermediaries and Increased number of facilitators and technical persons in the field of forestry at the district level, provincial **from the three provinces** and central to guide the community in managing their plantation forest

Indicators of Output 1

- 1.1. Training modules as guidelines for facilitator and technical persons formulated and developed
- 1.2. Conducted training for field facilitators and technical persons at the district level and provincial **from three provinces.**

2. Improved knowledge and skills in technical and managerial of sustainable plantation forest management among communities, smallholders and their organizations **at the three selected provinces.**

Indicators of output 2

- 2.1 .Land delineation and boundary marking of CBPF at three areas conducted
- 2.2. General and operational plan formulated **at the three locations : at Lombok Tengah, Kalimantan Tengah and Minahasa Utara**
- 2.3. Improved capacity on harvesting and forest product processing **as well as on marketing strategy of the communities pantation forest at the three selected provinces.**

3. Available market information on market access and market opportunity for forest products from CBPF and other plantation business **from the three selected provinces.**

Indicators of Output 3.

- 3.1 Information on economical feasible for forest products from CBPF available
- 3.2. The information on standard price of the forest product from CBPF available
- 3.3. Conducted Extension on entrepreneurship for community

3.1. 2. Activities and inputs

Activities for Output 1 :

Improved capacity of intermediaries, and increased number of facilitators and technical persons in the field of forestry at the district level, provincial and central to guide the community in managing their plantation forest

- 1.1. Formulate and develop training modules as guidelines for facilitator and technical persons
- 1.2. Conducted training for field facilitators and technical persons at the district level and **at the three provinces. Discussing the strategy on removing external and internal constraints in the legal, policy and institutional frameworks.**

Activities for Output 2:

Improved knowledge and skills in technical and managerial of sustainable plantation forest management among communities, smallholders and their organizations.

- 2.1. Facilitating the community at **Nusa Tenggara Barat to process and attain their communities utilization right, and facilitate the two locations (Kalimantan Tengah and Minahasa Utara)** to conduct working area delineation, **mapping the area to secure access to the resource base.**
- 2.2. Facilitating **and assisting** the communities **at the two locations** to **carry out** a general **participatory planning** and operational plan.
- 2.3. To develop technical capacity on harvesting and forest product processing
- 2.4. Support facilitation to the three community plantation units an access to capital, credit and markets.**

Activities for Output 3:

Market strategies of forest products from CBPF and other plantation business available

- 3.1. Carry out economical feasibility assessment of forest products **from three unit of CBPF**
- 3.2. Establish The information access on the market and investment **for government and decision maker as well as community groups.**
- 3.3. Conduct Extension on entrepreneurship for community **at three selected areas**

3.2. Implementation approach and methods

The Program strategy is **built to address differing support needs in the three stages of development of community forestry drawing on the lessons learned from earlier ITTO projects in this field. The first community groups which will be supported is a community group in Nusa Tenggara Province which is there has no community forest right issues been issued. The program will support this group in processing the legal permission or step of requesting the community plantation right. Such support package could be provided including enabling condition and the local forest extension officials will be engaged to facilitate the community plantation forest establishment until the utilisation rights is approved by the distric' head. Nusa Tenggara province is selected since the head of forestry provincial office and the governor have a firm political commitment to develop community forestry. And the group of facilitators have been actively involved to support the HTR establishment. The facilitator will carry out** participatory planning and implementation where communities define their own needs and priorities. Implementation would involve the pilloting demonstration and mainstreaming of successful approaches and models for creating financially and economically viable, socially and culturally adapted.

At the three locations the capacity building will be carried out through coordination and the enhancement of capacities all related agencies such local government, staff of technical forestry unit, and communities' group.

At community level, the Program can support empowerment as well as development and implementation of approaches with high employment and revenue creation potential and long term economic feasibility.

Program interventions would aim at strengthening organizational, managerial and technical skills and the business development of community enterprises, including their business plan and marketing strategies.

To achieve the project output including capacity building, the strategies are:

- a. dissemination about vision and mission of HTR to forest professionals, experts and communities.
- b. **Focusses on awareness raising, technical organizational training; strengthening of forest community associations and networks; horizontal learning and exchange among community-based enterprises; improvement of local governance; diversification of production activities and services; as well as development of tools for implementing community forest management and improving the efficiency**

- c. Trainings of forest professionals on forest planning, management, **marketing strategy**, monitoring and evaluation.
- d. HTR data compilation and management for continues HTR planning, management, monitoring, and evaluation.
- e. Facilitation of the plantation **development** process.
- f. Extensions to communities participating in HTR as well as communities surrounding production forest.
- g. Coordination with involved and related institutions for coordinated action and synergy on the activities.
- h. Field visits to areas of developed community-based plantation forest unit..
- i. Comparative studies to see market opportunities.
- j. Conference attendance and presentation
- k. Facilitating meeting and group discussion with forest concession companies for mutual benefit and to build networking of community partnership.
- l. For the entrepreneurship building, the strategy will be a sharing of experiences from the successful business entrepreneur. Hopefully the success story will inspire the community group to become a community forest enterprise.

3.3. Workplan

No	Outputs and Activities	PIC	Year I												Year II											
			1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
1.	Output 1. Improved capacity of intermediaries and increased number of facilitators and technical persons in the field of forestry at the district level, provincial and central to guide the community in managing their plantation forest	PMU Field Coord.																								
	Activities 1.1 Formulate and develop training modules as guidelines for facilitator and technical persons	PMU, Training Conslt																								
	Activities 1.2. Conducted training for field facilitators and technical persons at the district level and provincial	National Training Conslt																								
2	Output 2 Improved knowledge and skills in implementing sustainable plantation forest management among communities, smallholders and their organizations.	Facilitators																								
	Activities 2.1. Facilitating the community to conduct working area delineation.	BPKH, inventory agency																								

Activity 2.2 Facilitating the community to prepare a general and operational plan	NC																								
Activities 2.3. Participating on technical matters available on preparation for forest products from CBPF and other processing units in rural locations																									
Activities 3.1. 2.3.1. Conducting general training on preparing land for plantation, carry out economical feasibility assessment of timber products from forest maintenance, technics on harvesting, log distribution and its administration, timber processing, and chain of marketing.																									
Activities 3.2. 2.3.2. Preparing forest administration, controlling, reporting and financial bookkeeping.																									
Activities 3.3. Conduct Extension on entrepreneurship for community																									
Reporting Activities																									

2.3.3. Selecting the timber species of high economics value to be planted																									
---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

MASTER BUDGET TABLE

in US
Dollar

Outputs/ activities	Description	Budget Component	Quantity		Units	Unit Cost US \$	Total Cost US \$	ITTO		Executing Agency	
			1st Year	2nd Year				1st Year	2nd Year	1st Year	2nd Year
Output 1	Improved capacity and Increased number of facilitators and technical persons in the field of forestry at district, provincial and central level to guide community in manage their CBPF										
Activity 1.1.	Formulate and develop training modules as guidelines for facilitator and technical persons		-	-	-	-	-				
	National Consultant (1 person, 1 months)		1		person-month	2.000	2.000	2.000	-		
	- domestic ticket							-	-		
	= Kalimantan Tengah		2		trip	300	600	600	-		
	= Nusa Tenggara Barat		2		trip	350	700	700	-		
	= Menado		2		trip	365	730	730	-		
								-	-		
	- <i>Daily subsistence allowance</i>						-	-	-		
	= <i>local/national consultant,, 3 days, 3 prov.</i>		9		days	80	720	720	-		
	= Project Magmt unit, 3 day, 3 prov.		9		days	80	720	720	-		
							-	-	-		
	- Meeting Package: 1 day, 3 prov, 10 participants,2x		60		pax	20	1.200	1.200	-		
	sub total budget activity 1.1.						6.670	6.670	-		
Activities 1.2.	Conducting Training for Field facilitators and technical persons at the district level and provincial							-	-		
	National Consultant (3 months)		3		person-month	2.000	6.000	6.000	-		
	Conduct training at 3 provinces:							-	-		
	=Kalimantan Tengah							-	-		
	5 facilitators : 5 x 10 days		50		pax	80	4.000	4.000	-		
	5 technical persons : 5 x 21 days		105		pax	70	7.350	7.350	-		

	= Menado							-	-		
	5 technical persons : 5 x 21 days	105		pax	70	7.350	7.350	-			
	5 Facilitators : 5 x 10 days	50		pax	80	4.000	4.000	-			
	= Nusa Tenggara Barat							-	-		
	5 Facilitators : 5 x 10 days	50		pax	70	3.500	3.500	-			
	5 technical persons : 5 x 21 days	105		pax	70	7.350	7.350	-			
	DSA : 2 Nat.cons+PC, 21 days, 3 sites	126		pax	70	8.820	8.820	-			
	Fotocopy materials	60		pax	15	900	900	-			
	sub total budget activity 1.2.					49.270	49.270				
	sub total budget activity 1					55.940	55.940				
Output 2	Improved knowledge and skills on managerial and technical matters to develop CBPF										
Activities 2.1.	Facilitating the community to carried out working area delineation							-	-	-	
2.1.1.	General training of participatory mapping										
	National Consultant (6 months,)	6		person-month	2.000	12.000	12.000	-			
	Preparation Meeting 3x, 12 persons	36		pax	20	720	720	-			
	Training pack for prep.delineation ; 10 ps x 3x3days	90		pax	30	2.700	2.700	-			
	- Duty Travel					-	-	-			
	= domestic Ticket, 3 provinces, 2 persons					-	-	-			
	<i>Kalimantan Tengah</i>	2		trip	350	700	700	-			
	<i>Menado</i>	2		trip	365	730	730	-			
	<i>Nusa Tenggara Barat</i>	2		trip	300	600	600	-			
	- Daily Subsistence Allowance : 2x 3 prov, 5 days,	30		days	60	1.800	1.800	-			
2.1.2	<i>Working on delineation/boundary marking</i>							-	-	-	
	= <i>Kalimantan Tengah</i>	1.700		ha	25	42.500	42.500	-			
	= <i>Menado</i>	85		ha	25	2.125	2.125	-			
	= <i>Nusa Tenggara Barat</i>	200		ha	25	5.000	5.000	-			
	- Meetings, 10 persons, 2 days/meeting, 3 times	60		pax	10	600	600	-			
	= DSA : Nat.cons : 1ps x 15 days, 3	45		days	80	3.600	3.600	-			
	= DSA : P.coord. : 1ps x 2 days, 3	6		days	80	480	480	-			
	total 2.1.					73.555	73.555	-			

2.2	Facilitating community to prepare general plan & operational plan										
	National consultant (6 months)		4	2	person-month	2.000	12.000	8.000	4.000		
2.2.1. + 2.2.2.	General Training on formulating general plan & produce general workplan										
	Training package : 3x, 5 persons, 5 days		75		pax	30	2.250	2.250	-		
	- Domestic ticket: 2 persons trip, 3 provinces		2		trip	1.015	2.030	2.030	-		
	- DSA for tim expert : 10days, 1 person, 3 locations		30		days	60	1.800	1.800	-		
	Meeting 2x, 3 locations, 7 persons		42		pax	15	630	630	-		
	Sub total 2.2.						18.710	14.710	4.000		
2.3.	Facilitating Technical matters of CBPF Development								-		
	General Training Package on technical subjects for CBPF development										
	National consultants (5 months)			5	person-month	2.000	10.000	-	10.000		
	Training package : 3 locations, 7 persons, 10 days			210	pax	30	6.300	-	6.300		
	Duty Travel							-	-		
	= domestic Ticket, 3 provinces, 2 persons							-	-		
	<i>Kalimantan Tengah</i>			2	trip	350	700	-	700		
	<i>Menado</i>			2	trip	365	730	-	730		
	<i>Nusa Tenggara Barat</i>			2	trip	300	600	-	600		
	DSA							-	-		
	1 x 30 days x USD 60			30	days	60	1.800	-	1.800		
	1 x 9 days x USD 60			9	days	60	540	-	540		
	Meetings; 4x3 x 10 persons			120		15	1.800	-	1.800		
	Sub total 2.3.						22.470	-	22.470		
	Total Activiities 2						114.735	88.265	26.470		
3	Available market assess										
3.1+3.2	Carry out economic study and standard price of CBFP Products										
	National consultants (4 months)			4	person-month	2.000	8.000	-	8.000		
	Meetings; 3x3 x 10 person			90		15	1.350	-	1.350		

	Duty Travel							-	-		
	= domestic Ticket, 3 provinces, 2 persons							-	-		
	Kalimantan Tengah		2	trip	350	700	-	700			
	Menado		2	trip	365	730	-	730			
	Nusa Tenggara Barat		2	trip	300	600	-	600			
	DSA							-	-		
	2 x x2 x 14 days x USD 60		84	days	60	5.040	-	5.040			
	Sub total 3.1+3.2					16.420	-	16.420			
3.3.	Extension of enterpartnership conducted										
	Meetings; 3x2 x 10 person		60		15	900	-	900			
	extenstion activites										
	Meetings; 3x5 x 10 person		150		20	3.000	-	3.000			
	Sub total 3.3					3.900	-	3.900			
	Total Activiities 3					20.320	-	20.320			
	Total Activities (1+2+3)					190.995	144.205	46.790			
	Non-activity based cost										
	Project coordinator		12	12	person-month	2.000	48.000	24.000	24.000		
	Financial/Administration Staff		12	12	person-month	500	12.000	6.000	6.000		
	Secretary		12	12	person-month	500	12.000	6.000	6.000		
	Field Coordinator		36	36	person-month	1.000	72.000	36.000	36.000		
	Laptop		4			1.500	6.000	6.000	-		
	Personal Computer		3			1.000	3.000	3.000	-		
	Local Transport		12	12		500	12.000	6.000	6.000		
	Office service in main city		1	1	year	10.000	42.000			21.000	21.000
	Office supplies		3	3	Province/year	4.200	55.200	12.600	12.600	15.000	15.000
	Miscl. Consumable		1	1	year	5.400	20.800	5.400	5.400	5.000	5.000
	Reporting / translating		1	1	pax	2.500	5.000	2.500	2.500		
	Project preparation/reproduction			1	pax	5.000	5.000	-	5.000		
	Steering Committee Meeting (2 times)		1	1	year	1.500	3.000	1.500	1.500		
	Annual Audit		1	1	year	2.000	4.000	2.000	2.000		
	Sub Total					300.800	111.400	107.400		41.000	41.000

CONSOLIDATED BUDGET

in US Dollar

Category	Description	Total	1st year	2nd year
10	Personnel			
11	Project Coordinator	48.000	24.000	24.000
12	Secretary	12.000	6.000	6.000
13	Administration Staff/Financial	12.000	6.000	6.000
14	Field Coordinator	72.000	36.000	36.000
15	National Expert	50.000	28.000	22.000
	Sub-Total	194.000	100.000	94.000
20	Sub-Contracts			
21	a. sub-contract	-	-	-
22	b. sub-contract	-	-	-
	Sub-Total	-	-	-
30	Duty Travel			
31	Daily subsistence allowance	25.320	17.940	7.380
32	Transportation			
32,1	- International travel	-	-	-
32,2	- Domestik Travel	10.150	6.090	4.060
32,3	- Local transportation	12.000	6.000	6.000
	Sub-Total	47.470	30.030	17.440
40	Capital Items			
41	Laptop	6.000	6.000	
	Personal Computer	3.000	3.000	
	office service main city	42.000	21.000	21.000
	Sub-Total	51.000	30.000	21.000
50	Consumable Items			
51	Office Supplies	55.800	28.200	27.600
	Miscl. Consumable	21.600	10.800	10.800
	Sub-Total	77.400	39.000	38.400
60	Miscellaneous			
61	Meeting	10.200	3.150	7.050
62	project preparation/report reproduction	5.000		5.000
63	Boundary marking	49.625	49.625	-
64	steering commettee meeting	3.000	1.500	1.500
65	Reporting and Translation	5.000	2.500	2.500
66	Training	44.800	38.500	6.300
66	Annual Audit	4.000	2.000	2.000
	Sub-Total	121.625	97.275	24.350
70	National Management Cost	6.560		
	Total (10 - 70)	498.055	296.305	195.190
80	Project Monitoring and Administration			
81	ITTO monitoring & review	12.000		
82	Ex-post Evaluation	10.000		
85	ITTO programme support (8%)	34.456		
100	GRAND TOTAL	554.511		

ITTO YEARLY BUDGET TABLE

in US Dollar

Category	Description	Total	1st year	2nd year
10	Personnel			
11	Project Coordinator	48.000	24.000	24.000
12	Secretary	12.000	6.000	6.000
13	Administration Staff/Financial	12.000	6.000	6.000
14	Field Coordinator	72.000	36.000	36.000
15	National Expert	50.000	28.000	22.000
	Sub-Total	194.000	100.000	94.000
20	Sub-Contracts			
21	a. sub-contract	-	-	-
22	b. sub-contract	-	-	-
	Sub-Total	-	-	-
30	Duty Travel			
31	Daily subsistence allowance	25.320	17.940	7.380
32	Transportation			
32,1	- International travel	-	-	-
32,2	- Domestik Travel	10.150	6.090	4.060
32,3	- Local transportation	12.000	6.000	6.000
	Sub-Total	47.470	30.030	17.440
40	Capital Items			
41	Laptop	6.000	6.000	
	Personal Computer	3.000	3.000	
	office service main city	-		
	Sub-Total	9.000	9.000	-
50	Consumable Items			
51	Office Supplies	25.800	13.200	12.600
	Miscl. Consumable	11.800	5.400	5.400
	Sub-Total	36.600	18.600	18.000
60	Miscellaneous			
61	Meeting	10.200	3.150	7.050
62	project preparation/report reproduction	5.000		5.000
63	Boundary marking	49.625	49.625	-
64	steering committee meeting	3.000	1.500	1.500
65	Reporting and Translation	5.000	2.500	2.500
66	Training	44.800	38.500	6.300
66	Annual Audit	4.000	2.000	2.000
	Sub-Total	121.625	97.275	24.350
70	National Management Cost	-		
	Total (10 - 70)	408.695	254.905	153.790
80	Project Monitoring and Administration			
81	ITTO monitoring & review	12.000		
82	Ex-post evaluation	10.000		
85	ITTO programme support (8%)	34.456		
100	GRAND TOTAL	465.151		

EXECUTING AGENCY YEARLY BUDGET TABLE

in US Dollar

Category	Description	Total	1st year	2nd year
30	Duty Travel			
33	Duty Travel	-	-	-
	Sub-Total	-	-	-
40	Capital Items			
41	Notebook Computer	-	-	
42	Personal Computer	-	-	
43	Printer	-	-	
44	Office Services in main city	42.000	21.000	21.000
	Sub-Total	42.000	21.000	21.000
50	Consumable Items			
51	Office supplies	30.000	15.000	15.000
52	Miscl. Consumable	10.000	5.000	5.000
	Sub-Total	40.000	20.000	20.000
60	Miscellaneous			
61	Misc.	-	-	-
	Sub-Total	-	-	-
	SUB TOTAL ALL CATEGORIES	82.000	41.000	41.000
70	MANAGEMENT COST (8%)	6.560		
100	GRAND TOTAL	88.560		

3.5. Assumptions, risks, sustainability.

3.5.1 Assumptions and risks

The most probably risks in the three provinces are inter alia :

No	Location	Probably Risks	Risk Mitigation
1.	<u>CBPF unit at Lombok Tengah District, West Nusa Tenggara Province</u>	<u>The probably risks are: the utilization rights processing that should be granted by the Head of District still very low in process</u>	<u>The facilitator/consultants hired by the proposed project assist and facilitating the communities' group to prepare the complete document required by the process, accelerate the formulation of cooperative group in the communities and assist in preparing the maps required.</u>
2.	<u>CBPF unit at Kotawaringin Barat, Central Kalimantan Province</u>	<u>The most probably risks: The total amount of population is quite low compare to the land area granted for CBPF. This will effect to the formulation of communities group into cooperative.</u> <u>The communities group are reluctant to plant other species unless the rubber species in their CBPF areas.</u>	<u>The facilitators hired by the project assist and facilitate the capacity improvement of the communities. So even though the total amount of population is low, if the capacity improved, the CBPF could be carried out optimally</u> <u>The facilitators including local government shoul give better understanding and easy explanation to the communities concerning the important factors that should be considered such site matching species, the market's price and the quality of the products</u>
3.	<u>CBPF unit at Minahasa Utara district, North Sulawesi province</u>	<u>The CBPF' utilization right is granted to personal. The most probably risk if they have to establish or formulate a group of communities into a cooperative institution, there is a reluctant between the communities if their right and access are not clear or not fair.</u>	<u>The facilitators and local government will give reasonable explanation concerning the available scheme could be chosen by the community's group.</u>
4.	<u>General problem at the three locations</u>	<u>The process of credit fund from the National Fund is not simple and easy to follow by the communities.</u>	<u>The facilitators including from the government staff will try to assist the communities' group in fullfiling the requirement</u>

Relating to the training for capacity building, the number of qualified trainer should be available at the same time since the training activities will be conducted simultaneously in 3 units of CBPF in 3 provinces. To mitigate the risks, the project should prepare lists of trainers from different agencies

and including from the local university. The same cases will be in the numbers of facilitators that should be available at the time needed.

3.5.2. Sustainability

To ensure the sustainability of the strategy initiated by this project, several approach will be taken based on ITTO-funded projects. The following key success factors have been identified and possible to replicate :

1. In plantation activities, critical elements will be species selection to local conditions, seed availability to meet demand, quality of planting material, phasing of targets to ensure continuous flow of benefits in the long run. **The facilitation from the expert both on plantation development and entrepreneurship should be continued by the local government. The local government should formulate a group of technical persons who has ability to facilitate and assist the community plantation development.**
2. Incentives should be designed to provide tangible benefits for the population during the whole cycle of the operation (include during the project period).
3. Engagement of the private sector as commercial partners to the community forest owners to maintain business networking, to ensure post-project revenue generation.
4. Target group of the training strategy need to cover all the actors, not only technical staff or community leaders.
5. Production of adequate tools for implementation (guidelines, manuals, and technical packages for community forest management and enterprise) is necessary **to ensure the continuity of capacity building activities.**

PART IV IMPLEMENTATION ARRANGEMENTS

4.1 Organization structure and stakeholder involvement mechanisms

4.1.1 Executing agency and partners

The Executing Agency of the project will be the Directorate of Plantation Forest Development, MoF which will assume all the responsible for its coordination and implementing of the activities. It will responsible to appoint a Professional and qualified Project coordinator for managing of the implementation of activities and the ITTO fund . The executing agency will be involved in the project since the preparation until completion of the project.

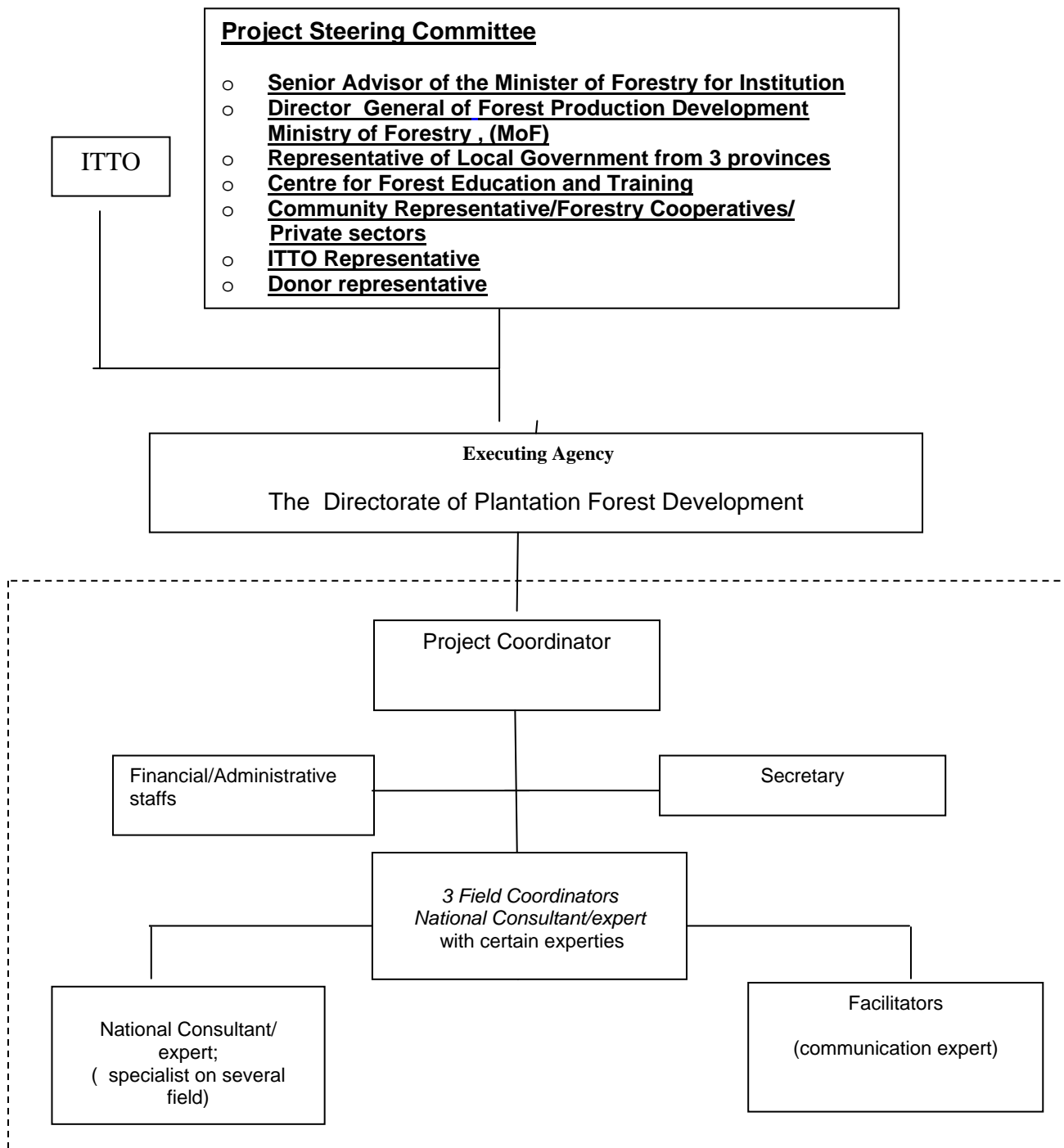
Executing Agency will work together with some experts, training institutions, forestry service of district and provincial level , communities plantation forest group, local NGO, small scale community enterprises or other relevant institution to implement some activities in the field. If necessary, the other activities will be implemented through sub-contracts with local NGO for efficiency.

4.1.2 Project management team

Professional staff will be assigned for the project coordinator who will be in charge the overall of the project implementation. The project coordinator will report to the Executing Agency as well as to ITTO in consultation with the Steering Committee. The project coordinator should be a qualified and acceptable senior forester who has experience in the development of plantation forest, and having worked with group of communities. Project Coordinator will be responsible for the planning, implementing and monitoring 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



4.1.3 Project steering committee

Composition of the Project Steering Committee (PSC) includes one representative of the ITTO, at least one representative of the Directorate General Forest Production Development (Director of Plantation Forest Development), local government from the three provinces, Center for Forestry Education and Training, representative of donor countries, and communities representatives from the three provinces. The PSC member appointed by The Minter of Forestry.

The duty of PSC are (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 the Director General of Forest Production Development.

The PSC will meet once or twice each year to review progress in project implementation. The date at which meetings are to be held should be determined after consultation among all the concerned parties. The PSC can even hold special meetings without an ITTO representative to tackle urgent issues that should be resolved immediately.

4.1.4 Stakeholder involvement mechanisms

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

The role of the Directorate General of Plantation Forest Development are :

- Maintain coordination among relevant parties in implementing project objective and activities
- Coordinate and consulting with ITTO upon the project development
- Responsible for the project activities and giving support to project coordinator for Executing the project.
- Monitor project fund based on project proposal and approval by ITTO and project agreement in accordance with ITTO guidelines and procedure as well as prevailed the government regulation
- Provision of counter budget of GOI to support the project activities together with EA include appoint personnel to work in the project
- Prepare and submitting project report to ITTO

The role of Training institutions are :

- Facilitate executing agency on preparing the material, curriculum and syllabus for training activities.
- Monitoring of the training activities
- Participate in the PSC meeting of the project

The role of other stakeholder(local community Forestry/Private sectors) includes:

- Implementing technical aspects plantation establishment in the field
- Sharing information regarding market niches.
- Pilot testing the plantation establishment with assistance of project experts/consultants.

(3) The role of local government:

- a) Participation in developing management plan
- b) Involvement in training activities
- c) Monitor and evaluate the activities in the field

(4) The role of NGOs:

- **Facilitating the communities' group on plantation development**
- **Giving consultative both technical and administerial matter including the managerial and entrepreneurship.**
- **As Project Partner**

The role of Technical Implementation Unit DG of Production Development:

- **Facilitating and giving technical assistance in preparing and carrying out area delineation, formulating general planning.**
- **Carrying out the participatory planning.**

The role of National Forest Fund Institutions:

- **Provide funds to support forest rehabilitation and forest plantation development.**
- **Preparing scheme of funding assistance such as revolving fund scheme to everybody who are interesting to establish plantation development**

4.2 Reporting, review, monitoring and evaluation

2.1 Project Progress Report.

The first project progress report will be given to ITTO 6 months after project start-up or at least 4 months before the date of the monitoring visits (or Steering Committee meetings) and 2 months before every Council Sessions (in May and November).

2.2. Project Completion Report

This will be submitted within three months after Project Completion.

2.3. Project Technical Reports.

Project Technical Reports will be prepared for activities where technical results are expected, i.e. the achievements of the Project Outputs.

2.4. Monitoring, Review and Steering Committee's Visits.

A Steering Committee will be established, to be appointed by the Minister of Forestry upon proposal from the executing agency. The Steering Committee meeting will be held annually or as necessary. ITTO monitoring visits, if considered still necessary, will be arranged after the achievement of the respective outputs according to the Workplan.

2.5. Evaluation

Evaluation will be conducted during the last quarter before completion of the Project.

4.3 Dissemination and mainstreaming of project learning

4.3.1 Dissemination of project results

The results of the project will be disseminated through various strategy such as public consultation, workshop, **internet/website of Ministry of Forestry**, documents dissemination, and writing article in the ITTO newsletter (Tropical Forest Update Magazine/ ITTO circulation).

4.3.2 Mainstreaming project learning

This project will provide a lesson learn on community-based plantation forest development, identify of key success factors and constraints in local context and their relevance for broader application.

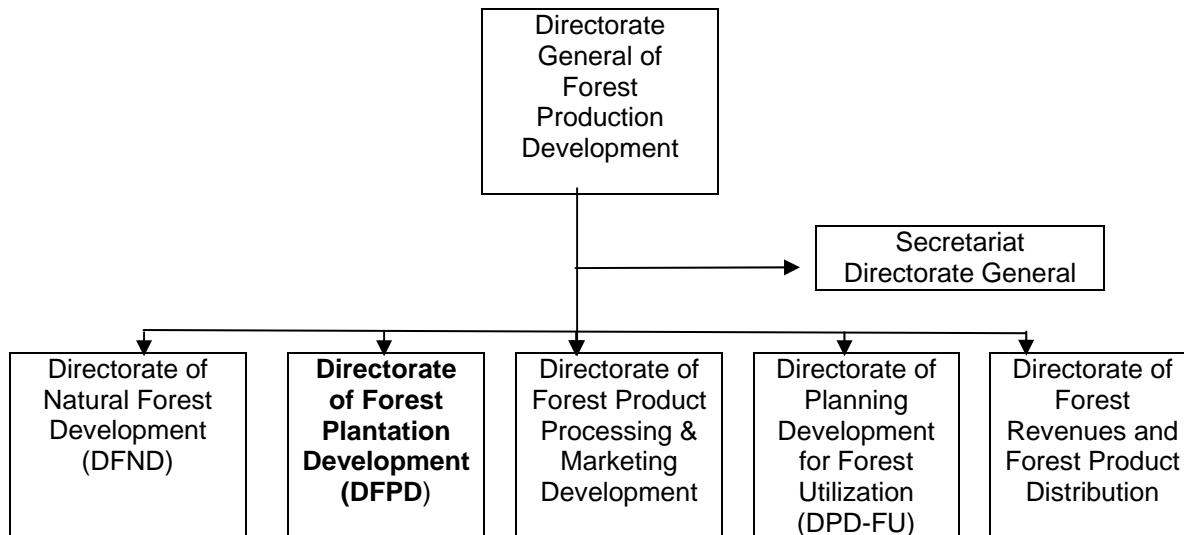
Mechanisms for exchange of experience could be disseminated through establishment and maintenance of web pages, or up loaded to the Ministry of forestry website, conducting seminar, workshops or conference on community-based plantation forest management, production of publications, and project report documents. The Ministry of Forestry will also continue to build the partnership networks with interested national, regional and international bodies.

ANNEX 1 PROFILES OF THE EXECUTING AGENCY

BACKGROUND

The Directorate General of Forest Production and Development, the Ministry of Forestry of the Republic of Indonesia

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



The DG main task is to provide rule and regulation , policy, planning, standard operation and technical assistance for the management and development of all type production forest. In order to ensure sustainability of the project activities, the technical Directorate of Plantation Forest Development will be the **Executing Agency for this Project, under the responsibility of the Directorate General for Forest Production Development.**

INFRASTRUCTURE

Regarding the infrastructure, the Directorate of Plantation Forest Development is prepared to carry the project. The office is already connected to a 2 Mbps bandwidth of Internet connection and all staff has each personal computer.

BUDGET

Within the last three years, the budget of the Directorate of Plantation Forest Production Development is as follows:

Activities	2008 (USD)	2009 (USD)	2010 (USD)
Operational and Maintenance Cost	286,619	292,425	276,222
Publication	158,388	159,589	87,687
Planning Programs	1,169,368	1,301,831	1,058,431
Training Programs	142,811	104,692	64,976
TOTAL	1,757,186	1,858,536	1,487,316

Note: USD 1 = IDR 10,500

PERSONNEL

The personnel within the Directorate of Plantation Forest Development is described as the following:

With Postgraduate Degrees	12
With Graduate Degrees	15
Middle-level Technicians	10
Administrative Personnel	12
TOTAL PERSONNEL	49

In supporting the capacity of its staff, the Directorate of Plantation Forest Development in collaboration with the Secretariat of the Directorate General for Production Forest Development conducted several training dealing with the sustainable management of plantation forest; such training inter alia for forest planing, harvesting technics, and enterpreneurships.

ANNEX 2

TERM OF REFERENCE FOR THE NATIONAL EXPERT

I. PROJECT MANAGEMENT UNIT:

1. Project Coordinator

Qualification:

As a Team/Project Coordinator the incumbent should be a senior staff from the relevant forestry institutions. Should have graduate qualification in forest management science, natural resource management, and at least 5-year experience in plantation forest development, well experienced work with community groups. Experience in conducting training activities with relevant stakeholders in forest plantation..

Minimum Requirements:

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

Responsibilities

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

Duration : 24 months.

Location : Jakarta

2. Position : Financial/administration staff

Duration : 24 months

Qualification and Experience :

Having background in financial works for at least 5 years; ability to speak and write in English, Familiar with ITTO auditing system.

Responsibilities :

Assisting Project Coordinator in project financial matters, evaluate and record the budget related the program execution. Prepare progress report.

Duration of employment : 24 months

Location : Jakarta.

3. Position : Secretary

Qualification and Experience:

Having background in secretarial works at least 3 years, able to speak and write in English, familiar with ITTO project documentation and reporting system.

Responsibilities:

Assist the Project Coordinator on day to day administration activities, filling document, preparing data and draft report outline. Prepare progress report.

Duration of Employment : 24 months

Location : Jakarta

II. Term of Reference for Project National Consultant

1. Position: Field Coordinator

Duration: 24 months

Qualification: Hold at least forestry (S1) degree and 3-5 years experience in forest policy. Good understanding in English both oral and written. Sufficient knowledge of forest product market, and have experience in conducting training or capacity building

Responsibilities:

The Field Coordinator will be responsible to manage and facilitating the preparation and establishment of plantation forest by community

Payment: Expert will carry out the activity within the time as allocated by the project. Rate of payment is US\$ 1,500 per month

2. Position: *Training Specialist (Training Expert)*

The national consultant will be assigned to achieve output 1 and output 2. The expert must be hold expertise and knowledge in SFM training, and experienced in facilitating forest community groups , at least 3 years. Working in education and training area.

Duration: 12 months

Qualification: Hold at least Forestry degree and 3-5 years experience in SFM, and forest training. Good understanding in English both oral and written. Sufficient knowledge in world timber marketing.

Responsibilities: the expert will be responsible(1) To establish manual training of planning (inventory work, environmental impact assessment, other studies, identification and assessment of strategic options, elaboration of management plans), implementation (particularly reduced impact logging), commercialization of products and organizational aspects. To conduct training series on plantation technics including field practice; 4) to prepare a technical report is within the period of assignment. The technical report and documentation must be presented in the project meeting.

Payment: Expert will carry out the activity within the time as allocated by the project. Rate of payment is US\$ 1,500 per month

Recommendations of previous ITTO reviews and resulting modifications

Part			Recommendations of previous ITTO reviews	Resulting modifications
			Project Brief	
			List of Abbreviations and Acronyms	
			Map of Project Area Too broad	The map presented in the proposal is showing the whole Indonesian Islands. this is to show the reader how each of the location is separated in each Island. The project location is marked by number which is no. 17 for CBPF site at West Nusa Tenggara Province, No. 21 is CBPF site at Central Kalimantan Province and no. 25 is CBPF site at Minahasa Utara, North Sulawesi Province.
1.			PROJECT CONTEXT	
1.	1.		<u>Origin :</u> Information on constraints in HTR development could be presented in a concise way as they are discussed in the problem analysis. In relation to the current proposal, brief information on earlier activities in the proposed three areas would be useful. The proposal seems to lack contact with the beneficiaries	The document of proposed project have accommodated the ITTO's review, and this section have been revised, as appeared in page 6-7
1.	2.		Relevance	
1.	2.	1.	<u>Conformity with ITTO's objectives and priorities :</u> It is necessary to elaborate in detail on how the proposal is relevant to selected ITTO's objectives and priorities	This section have been revised as follows: Conformity with ITTO's objectives and priorities: 1). Compliance with ITTA 2006, this section have been revised by adding the information concerning relation of the project activities and ITTA objectives for article c, d, j and r (please see the page 8)
			<u>Conformity with TP objectives and scope :</u> It is necessary to elaborate in details on how the proposal is relevant to selected TP objectives and scope	The proposal has also in conformity with TP objective and scope. Additional explanation have been accommodated in page 10.

1.	2.	2.	<u>Relevance to the submitting Country's policies :</u> Elaboration is needed on relevant policies of the country in connection to the proposal.	Several other relevant policies related to the Plantation Development have been added to the document as appear in page 10.
1.	3.		Target area	
1.	3.	1.	<i>Geographic location :</i> What is the basis for choosing these areas? Have local people in the area be consulted?	This section have been revised as appear in page 11-12; The three location for CBPF development through the proposed project is selected based on several considerations : the accessibility, the size of CBPF, the readiness to implement the activities, readiness of facilitators, and scheme or type of the plantation development by communities.
1.	3.	2.	<i>Social, cultural, economic and environmental aspects :</i> Needs to be reformulated based on information at the project identification and provide relevant background. The proposal does not provide any data on the target area and the beneficiaries	Informations on social, cultural, economic and environmental aspects of the selected three locations have been reformulated as could seen in page 12-13. Each locations such West Nusa Tenggara, Central kalimantan, and North Sulawesi have their own specific characteristics on social, cultural, economic and environmental aspects.
1.	4.		Expected outcomes at project completion : Need to describe the major target groups status after the completion of the project. The project appears to be written to enhance the HTR programme but the outcomes refer to unknown and un-quantified communitie	After completion, it is expected that knowledge and skills of community forest owner in three selected locations, improved. The outcome received is different for each locations. The additional information is shown in page 13.
2.			PROJECT RATIONALE AND OBJECTIVES	
2.	1.		Rationale	
2.	1.	1.	<i>Institutional set up and organizational issues :</i> Need more information of institutions and agencies, especially those directly involved in the project implementation	The revised and additional information is shown in page 14

2.	1.	2.	<p><i>Stakeholder analysis :</i> Many stakeholders were identified but this analyses would benefit from more specific information on local stakeholders including their names. For instance, are there organized community groups in the area that will be tapped in the project implementation? Actual stakeholders are not identified - what is provided in the table would apply to about any community in general. NGO's need to be clearly identified</p>	Revision and additional information have been added in page 15.
2.	1.	3.	<p><i>Problem analysis :</i> A more focused problem analyses in connection with the key problems in the project sites in particular and by CBPF in general that will be addressed by the project is needed. Other potential causes of slow progress of CBPF that may be cited may include land tenure and resource rights issues, limited capacity of forest extension officials of local governments, regulatory capture by the elite/business sector in terms of forest benefits</p>	<p>The additional information have been added in page 17-18 The potential causes of slow rate Community Based Plantation Development is lack capacity of the communities to establish and implement the plantation development. They need assistance and facilitation from outside either from government or other parties. Unfortunately the capacity of facilitators are also limited in quantity and quality. Therefore both side the facilitators, intermediers, local government as well as the community groups need capacity building. The Project will address this issue through the training activities.</p>
			<p><i>Problem tree :</i> Market information is not linked to the rest of the rational of the problem and the areas</p>	<p>The market issues is revised here to be Market Strategy that have not available yet in the development of CBPF. Through the project, it will be analyzed what is the cause of the unavailability of market strategies for CBPF products. Market iinformation is very related to the problem of slow progress of CBPF. The explanation is appear in page 17, 18, 19.</p>
2.	1.	4.	<p><i>Logical framework matrix :</i> Need to improve the measurable indicators for the development objective in a long-term. Need to improve the measurable indicators for output 3. Information available to whom and how? Indicators are too vague. Provide information on the numero of people and ha involved.</p>	<p>All of reccommendation suggested by the reviewer have been added in the project document page 21, and 22. A quantitative indicators have been added to the logframe matrix.</p>

2.	2.		Objectives	
2.	2.	1.	<i>Development objective and impact indicators :</i> It is necessary to connect to a wider vision of SFM	The suggested recommendation has been accommodated in page 22
2.	2.	2.	<i>Specific objective and outcome indicators:</i> It is clear as to what the project will achieve during its life. But need to specify the project intervention in three project sites. The outcome indicators need more quantitative and measurable elements.	The suggested recommendation have been accommodated in page 22 and 23.
3.			DESCRIPTION OF PROJECT INTERVENTIONS	
3.	1.		Outputs and activities	
3.	1.	1.	<i>Outputs :</i> Inconsistent presentation of Outputs 1 and 2 with the Logical Framework Matrix. Need to specify the selected project sites. Output indicators need to be more specific and measurable.	The inconsistent presentation have been revised in page 23 . Selected project sites have been decided and the information have been added. Output indicators have been quantify and measurabled (page 23).
3.	1.	2.	<i>Activities :</i> Need to identify more concrete activities to contribute to the achievement of outputs. In addition, the project sites should be specified in the activities, as appropriate. The content of Output 2 needs to be included.	Suggested recommendation have been accommodated in page 23 and 24. Content of Output 2 has been included.
3.	2.		Implementation approaches and methods : Project interventions would be facilitated with the active engagement of local forest extension officials who can play an important role in many ways if they are	Suggested recommendation have been accommodated in page 24. The three selected locations have been clear informed.

			well equipped with relevant knowledge and experience. he project needs to be more grounded. It seems that the communities have no idea about what is being planned for then and the authors do not know the places whre they want to start doing their project	
3.	3.		Work plan : Incomplete presentation (no plans for Activities 3.2 and 3.3). Need to review whether timing for the implementation of Activities under Output 3 is appropriate since market information is often useful before the establishment of plantations. Selection of plantation species will be based on comprehensive information including market demand	The workplan presentation have been revised based on the viewer reccommendations. (page 26, 27, 28)
3.	4.		Budget	
3.	4.	1.	<i>Master Budget Schedule :</i> A detailed budget in the required format needs to be presented (as required in the Manual for Project formulation)	Master Budget have been revised since the location is change from originally selected. (page 29-32)
3.	4.	2.	<i>Consolidated Budget by Component :</i> Completely missing. A detailed budget in the required format needs to be presented (as required in the Manual for Project formulation)	There was a mistake in the submissiion of the first proposal, therefore missing information concerning consolidated budget by component, ITTO Budget by component and Executing agency budget. In this revised document the whole required information have been presented in page 34, 35, 36.
3.	4.	3.	<i>ITTO Budget by Component :</i> Completely missing. A detailed budget in the required format needs to be presented (as required in the Manual for Project formulation)	Idem ditto with above
3.	4.	4.	<i>Executing Agency Budget by Component :</i> Completely missing. A detailed budget in the required format needs to be	Idem ditto with above

			presented (as required in the Manual for Project formulation)	
3.	5.		Assumptions, risks and sustainability	
3.	5.	1.	<p><i>Assumptions and risks :</i> The analysis is not sufficient. Need to further elaborate the interests and intention of different stakeholders participating in the implementation of project activities. The risk analysis should be done knowing the places. It is unlikely that inadequate political will poses a risk. The project needs a solid foundation according to local needs</p>	Assumption, its potential risks and a risk mitigation have been accommodated based on the problem at the three selected locations. The complete information is on page37
3.	5.	2.	<p><i>Sustainability :</i> There are not guarantees as there is no consideration of the beneficiaries, and therefore no baseline! There is no target group strategy. Key concern for sustainability would be to address the people's real needs! This needs to be elaborated</p>	Revise and additional information on sustainability of the proposed project is presented in page 38
4.			IMPLEMENTATION ARRANGEMENTS	
4.	1.		Organization structure and stakeholder involvement mechanisms	
4.	1.	1.	<p><i>Executing Agency and Partners :</i> More information is needed for the EA on capabilities, expertise and previous records. Key project personnel should also be briefly presented with their main roles and responsibilities.</p>	Information of the EA is put in Annex 1

4.	1.	2.	<i>Project Management Team :</i> More information is needed for the project management team, particularly the project coordinator. How is the project based on previous knowledge and experience of the team?	The Project management tim will be really appointed after the project is signed and declared started. Selecting the Project coordinator will use a certain criterias and indicators.
4.	1.	3.	<i>Project Steering Committee :</i> Need to specify members of the PSC based on ITTO standard practices which include representatives of ITTO and donors	Information on Project Steering committee have been revised in page 41.
4.	1.	4.	<i>Stakeholder involvement mechanisms :</i> Specific local stakeholders are missing	Additional information on other involved stakeholder have been put on page 41 and 42
4.	2.		Reporting, review, monitoring and evaluation	No revision
4.	3.		Dissemination and mainstreaming project learning	
4.	3.	1.	<i>Dissemination of project results :</i> Is this the first project dealing with this objective? If so dissemination should consider it and be as wide as possible	This is not first project, however, the dissemination of project result will be widely distributed to everybody through the project report, workshop, public consultation, writiing article in ITTO newsletter/ITTO circulation as well as website of the Ministry of Forestry
4.	3.	2.	<i>Mainstreaming project learning</i>	
ANNEX 1			Profiles of the Executing and Collaborating Agencies	
ANNEX 2			Tasks and responsibilities of key experts provided by the executing agency	

ANNEX 3			ToRs of personnel, consultants and sub-contracts funded by ITTO	
ANNEX 4			Recommendations of previous ITTO reviews and resulting modifications	

Recommendation of ITTO Evaluation Officer on Budget of CFM-PD 001/10 Rev.1

ITTO Yearly Budget Table

ORIGINAL BUDGET PROPOSAL			REVISED BUDGET BASE ON ITTO SUGGESTION		
Category	Budget (US\$)		Category	Budget (US\$)	
50. Consumables Items	Total 27,900		<u>50. Consumables Items</u>	<u>Total 25,800</u>	
51. Office supplies	14,400 13,500		<u>51. Office supplies</u>	<u>13,200 12,600</u>	
Per year			<u>Per year</u>		
52. Miscl. Consumable	Total 21,600		<u>52. Miscl. Consumable</u>	<u>Total 10,800</u>	
Per year	10,800 10,800		<u>Per year</u>	<u>5,400 5,400</u>	
SUB TOTAL ITTO	421,595		<u>SUB TOTAL ITTO</u>	<u>408,695</u>	
Per year	261,505 160,090		<u>Per year</u>	<u>254,905 153,790</u>	
80. Project Monitoring & Administration			<u>80. Project Monitoring & Administration</u>		
81. ITTO Monitoring & review	12,000		<u>81. ITTO Monitoring & Review</u>	<u>12,000</u>	
82. ITTO Programme support 8%	34,688		<u>82. E x-post evaluation</u>	<u>10,000</u>	
			<u>82. ITTO Programme support 8%</u>	<u>34,456</u>	
Total ITTO Yearly Budget	468,283		<u>Total ITTO Yearly Budget</u>	<u>465,151</u>	

Note:

Office supplies become US\$ 4,200/province/year -> for 3 provinces US\$ 12,600/year
 Miscellaneous become US US\$ 5,400/year/3 province → US\$ 1,800/province/year
 (US\$ 150/month/province.)

The total ITTO proposed budget from US \$ 468,283 become US \$ 465,151 (saving US\$ 2,900)