

# **PROGRAMME MANAGEMENT**

PARTNERSHIP MECHANISM

The spirit of Multistakeholder Forestry Programme (MFP) is to ensure equal and transparent partnerships and dialogues in supporting the improvement of forestry governance and the development of forestry governance policy in Indonesia. Therefore, effective partnership mechanism is required to allow open, equal, and responsible dialogue processes to happen.

One of the most important aspects in the MFP II management is to establish the partnership mechanism based on the MoU between The Government of Indonesia CQ the Ministry of Forestry and The Government of The United Kingdom CQ DFID, the Steering Committee Strategic Guidelines Document, and MFP II Proposal. The program will be implemented through the development of stakeholder partnership mechanism in forestry, such as the forestry agencies, National Development Planning Agency (Bappenas), Ministry of Development of Underdeveloped Regions, the Ministry of Home Affairs, The Coordinating Ministry for Economic Affairs, the Ministry of Finance, the Ministry of Industry and Trade, Community Foundations, Non Governmental Organizations, Legislative at national, provincial, and district level, private sectors, and education and research agencies.

The partnership mechanism describes the basic procedure in developing the partnership agreement, through MFP II grant disbursement to the above partners. This procedure provides guidance for different grantmaking schemes in the MoU, i.e. to the National Partner, Community Foundation, and the Ministry of Forestry.

In transitioning from the 1<sup>st</sup> phase of MFP, the preparation MFP II will continue to support the transparent processes, especially to help negotiate processes of the Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade (FLEGT-VPA) between The Government of Indonesia and the European Union, and set up effective and accountable implementation mechanism that can be utilized by other donors and funds, and strengthen the roles of Community Foundation or other local grantmaking institutions.

The sustainability of the MFP II should be indicated by the improvement of program management; area-based approach that strengthen the existing multi stakeholder forum or engage as many stakeholders as possible to make contribution in policy recommendations; effective program governance; stronger roles of partners at local, regional, and national level; and the synergy of all resources used to achieve the program objectives.

The partnership management emphasizes on the core values and principles, and show the partnership approach characteristics so that partnership is an agreement of roles and responsibilities among stakeholders to achieve MFP II goals. The key points to be considered are presented below:

1. Values and Principles of Partnership:
  - a. Acknowledge the differences **in interests and commitment** of stakeholders in forestry governance;
  - b. **Open** to various models and practices in sustainable forest management, besides legal management system established by the government or other stakeholders;
  - c. **Equal and transparent**, among stakeholders;

- d. **Civil society**, is encouraged to take bigger roles and responsibilities in forestry governance;
  - e. **Capacity building**, to strengthen and accommodate comparative advantages of all the involved stakeholders;
  - f. **Introspection**, lessons learning is carried out through continuous evaluation and improvement in the program management;
  - g. **Process orientation**, is more important than short-term output orientation.
2. Partnership approach characteristics:
- a. **Pluralistic**. Not to differentiate the races, religions, ethnics, and interests;
  - b. **Basic Rights**. In the partnership process there are several basic conditions to be developed, including full access to information and conflict resolution options; the freedom and capacity of organizations to express their freedom and concerns; non discrimination social environment; willingness of stakeholders to negotiate and to trust; and to respect the agreements;
  - c. **Processes of political and cultural change**. Fair partnership will guarantee the interests and rights of the stakeholders, especially of the weak, in order to create social justice and overcome the power gap;
  - d. **Collective interest**, to believe that there is a possibility to operate a form of partnership that can integrate various interests;
  - e. **Processes of learning and partnership**. A complex process requires longer time, and often leads to misunderstanding and the need for abrupt adjustments at anytime. Thus, this process demands continuous evaluation and improvement, compares to a series of fixed standard rules. Partnership should be able to reach those needs effectively;
  - f. **Options for solution**. It is understandable that in partnership there is no solution that is unique or not taking side. But, the solution is made in favor of the diversity of options according to the local and scientific knowledge, and also meeting the need for conservation, development, and justice;
  - g. **For the sake of all**. The challenge in partnership is to create the situation where the stakeholders will gain bigger benefit compare to the benefit gained through competition;
  - h. **Negotiation**. To overcome conflicts in partnership is to seek "win-win solution" rather than a litigation to win one stakeholder;
  - i. Combine scientific knowledge with local knowledge.

To make the stakeholder partnership effective, MFP II has partnership framework that consists of three components. The components of the partnership framework are as follows:

#### **A. Program Facilitation**

Grant will be an important instrument of the program. Program facilitation is a supporting tool to support effectiveness and efficiency in grant delivery and management to achieve the expected MFP objectives. The MFP II programme will carry out its function in facilitating program implementation using effective partnership strategy so that every component in MFP II (PAC, MFP Management Unit, Secondee, Co-Director and Program Director) will be involved in all levels of MFP II management.

Program facilitation should guarantee the balancing of policy reform and community empowerment, linkages between the national, regional, and local level, in order to ensure the grants disbursed will support the improvement of forest management in

Indonesia. Facilitation should be able to build national consensus without ignoring adaptive management approach that response the condition and problem facing in each region.

Assistance and institutional capacity strengthening for the Community Foundation should become the main requirement of the program achievement according to the program development model and the characteristics of each Community Foundation. Differences in problems and characters of Community Foundations are the challenge for program facilitation and should be responded using facilitation model suitable to each requirement.

Components in program facilitation is expected to support the strengthening of multi stakeholder processes so that it can contribute and accommodate illegal logging problems, build equitable and sustainable forest management unit, support climate change mitigation initiatives through the strengthening of government roles, civil society, partnership with private sectors at local and national levels. Considering the wide coverage of the issues and programs, the partnership strategies made to ensure that the engagement and the representation of the strategic partners contribute to the program achievement. Furthermore, program management that is in line with the priorities in grant delivery system need improvement so that it can provide optimum support to all stakeholders and MFP partners.

There will be wider fund support for MFP II partners, in order to strengthen the desired objectives. The support will include activities that support national policy, capacity development of regional partners in policy advocacy, community empowerment and multi stakeholder forum, capacity strengthening and partnership with the Ministry of Forestry and other related ministries, also facilities and supports for strategic activities that can support all the MFP II.

An integrated partnership scheme is required where the implementation of all the action plans monitored closely, so that individual action plan stays within the Strategic Plan of MFP II. This scheme will tie in all activities toward supporting the objectives and achieving the main goal, every supported program at national, regional, and local level, and all stakeholder engagement and the work of the partners within this partnership scheme. The arrangement for the scheme of initiative and partnership development described as follows:

- 1. National Policy Strategy**

The National Policy Strategy will be set to ensure all activities concerning advocacy can truly respond the need for handling the issues of TLAS, VPA, illegal logging, strengthening conflict resolution mechanism in forestry, strengthening the CBM practices through spatial planning, licensing, business and financial services. This National Strategy will guide all activities carried out by key national partners to support the policy reform including the drafting, advocacy, and facilitation for regional partners such as the District Government, Community Foundation, local Non Profit Organization, and other stakeholders.

- 2. Regional Strategy**

Regional Strategy is required to ensure the need for program development is in line with the local condition and the priority interventions in each region. It

is also ensures the mechanism for capacity development for local partners, support gained for the activities and the extent of network and partnership.

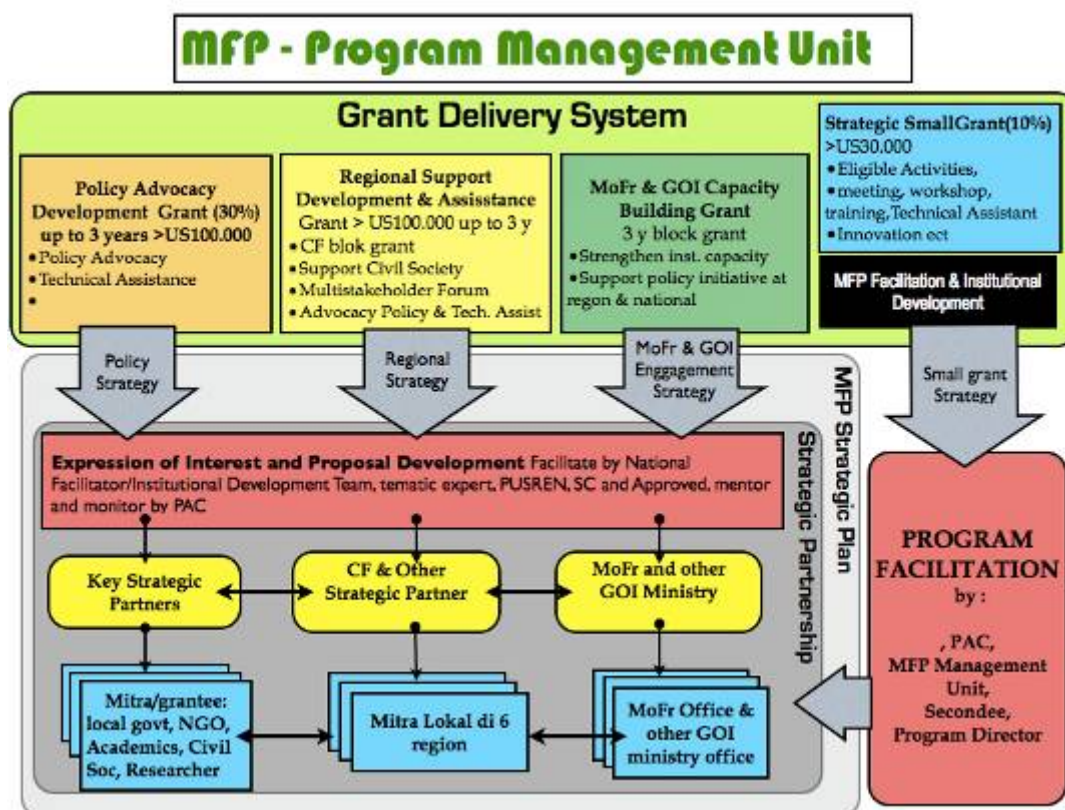
3. **MoFr and other Government Agencies Engagement Strategy**

This strategy is required to ensure the engagement of the Ministry of Forestry and other Government Agencies (Bappenas, the Ministry of Development of Underdeveloped Regions, the Ministry of Home Affairs, The Coordinating Ministry for Economic Affairs, the Ministry of Finance, the Ministry of Industry and Trade,) within the government, at central and local level. This strategy will enable these agencies in supporting the engagement of civil society, various regional multi stakeholder forums, and the facilitation conducted by key national strategic partners in order to support improvement in forestry governance and the development of forest governance policy in Indonesia. This strategy also aims to develop human resources and institutional capacity of the Ministry of Forestry in carrying out its main tasks and functions, as well as in giving measured contribution to the MFP II.

4. **Small Grant Strategy**

Small Grant Strategy to serve tactical and strategic needs will cover support activities including technical meetings, seminars and other activities important to support identified initiatives within the overall implementation strategy.

The four strategies above will be assessed, given feedback, and approval from the Steering Committee to ensure that these strategies can support each other and will not be counterproductive with the Strategic Plan of MFP II. Subsequently, based on the Implementation Strategy, there will be criteria set up for the **Expression of Interest (EoIs)** as a mechanism for developing program ideas and initiatives. PAC and PMU will assess the EoIs submitted. Partners proposing EoIs can develop their proposals with the help from the National/Regional Facilitators, Institutional Development Team, and the thematic Expert Team. The Minister of Forestry will get assistance from the MoFr Planning and Statistics Bureau (PUSREN) and Secondees. The partnership concept and ideas development is illustrated below:



Picture 1. Model for Program Management and Partnership Mechanism Concept

## B. Grant Delivery Management

Grant Delivery Management component aims to establish institutional mechanism to deliver grants directly to national, regional and local partners. The component has two objectives:

- to help deliver the grant support provided under the program
- to help establish a grant delivery mechanism at national and regional levels.

The detail and focus of the grant support according to the scope is further described under four parts as follows:

1. **Policy window** – The scheme will provide block grants to strategic partners for work on policy advocacy and oversight. Block grant delivery will refer to the identified priority themes in the program log-frame.

This window includes work to (among others) (i) develop and implement Timber Legality Assurance System (TLAS), and improve the illegal logging case handling; (ii) strengthen mechanisms for legal conflict resolution; (iii) scale up CBFM practices through spatial planning, licensing and the development of business and financial services; (iv) promote corporate governance and public

oversight of forest-sector investments; and iv) develop a pro-poor forest carbon investment framework.

The scheme will work through thematic grants for the first year programme over GBP 70,000 to key strategic partners. The scheme will seek partners with thematic expertise, strong track record in policy advocacy and oversight, and with established networks.

A grant portfolio for long-term policy work will be shaped based on MFP's Policy Strategy, to be formulated after the Second Steering Committee. The process of formulating a strategy will identify possible partners with a strategic role to play.

Proposals for long-term policy grants will then be solicited through thematic calls for Expressions of Interest. Successful proposals will be shaped by the MFP National Facilitators and Institutional Development team, with the supported of MFP Technical Advisors, Secondees and contracted thematic experts. Milestones will be agreed for each partner within the portfolio.

Each long-term policy grant will be approved by PAC, allowing for initial grant disbursement by the Programme Management Unit. Agreed milestones will provide the basis for 6 – monthly progress reviews by PAC and routine mentoring by MFP facilitators. This is to allow PAC to track delivery against each thematic priority identified in MFP's national strategy.

2. **Regional window** – this scheme will target 3 – year regional grant portfolios to support civil society and local government capacity in policy advocacy, oversight and delivery. Portfolios spanning all 7 regions (Sumatra, Java, Kalimantan, Nusa Tenggara, Sulawesi, Maluku and Papua) are envisaged.

Regional grant portfolios may cover more than one MFP thematic priority, linked to related long-term policy grants. The emphasis will, however, be on economic empowerment including access to finance, business development, marketing and related regulatory reform.

Regional grant portfolios will deliver support of over GBP200,000 per year, consisting of:

- a. block-grants to Community Foundations for civil society support and local resource mobilization;
- b. complementary technical and financial assistance to local government for policy development, implementation and MONEV; and
- c. technical and financial cooperation with other strategic partners such as MFIs, local banks, industry associations and BDSPs.

Grant portfolios for each region will be shaped based on MFP's **Regional Strategies**, to be formulated after the Second Steering Committee. The process of formulating a strategy will identify possible partners with a strategic role to play, including Community Foundations; and related capacity building needs.

Proposals for grants will then be solicited through thematic calls for Expressions of Interest for each region. Successful proposals will be shaped by the MFP Regional Policy Facilitator and Institutional Development team, with the supported of MFP Technical Advisors, Secondees and contracted thematic experts. **Milestones** will be agreed for each partner within the portfolio.

**Each regional grant portfolio will be approved by PAC**, refer to the Regional Strategies. This will allow for initial grant disbursement by the Programme Management Unit. Agreed milestones will provide the basis for 6–

monthly progress reviews by PAC and routine mentoring by MFP facilitators. This is to allow PAC to track delivery against each of MFP's regional strategies.

3. **Strategic small grants window** – This scheme will provide tactical support in line with MFP thematic and regional priorities, where this is not already delivered through long-term regional and policy grants. Appropriate areas of support include:
  - a. technical assistance to legal and policy drafting processes;
  - b. one-off advocacy and media events;
  - c. strategic meetings.

Grants of up to **GBP 120,000** will be administered directly by the **Programme Management Unit**. Proposals will be assessed against criteria established in a **Small Grants Strategy** to be developed after the Second Steering Committee. Proposals will be solicited through an open call for proposals, and will be mentored by the MFP National and Regional Policy Facilitators, Technical Advisors and Secondees.

PAC will conduct 6 – monthly progress reviews of the small grants portfolio to ensure agreed criteria and expected impacts are fulfilled.

4. **MoFr and GOI window** – This scheme will provide capacity-building support for MoFr Secondees, staff and other Ministries (Bappenas etc.) specifically to mobilise GoI capacity around regional and national initiatives. Appropriate areas of support include:
  - a. technical assistance to legal and policy drafting processes;
  - b. training events; and
  - c. facilitation of strategic meetings, linking GoI policy processes with lessons generated through regional and policy grants.

Proposals will be assessed against criteria established in a **MoFr Engagement Strategy**, to be developed after the Second Steering Committee. The scheme will be administered by the Programme Management Unit.

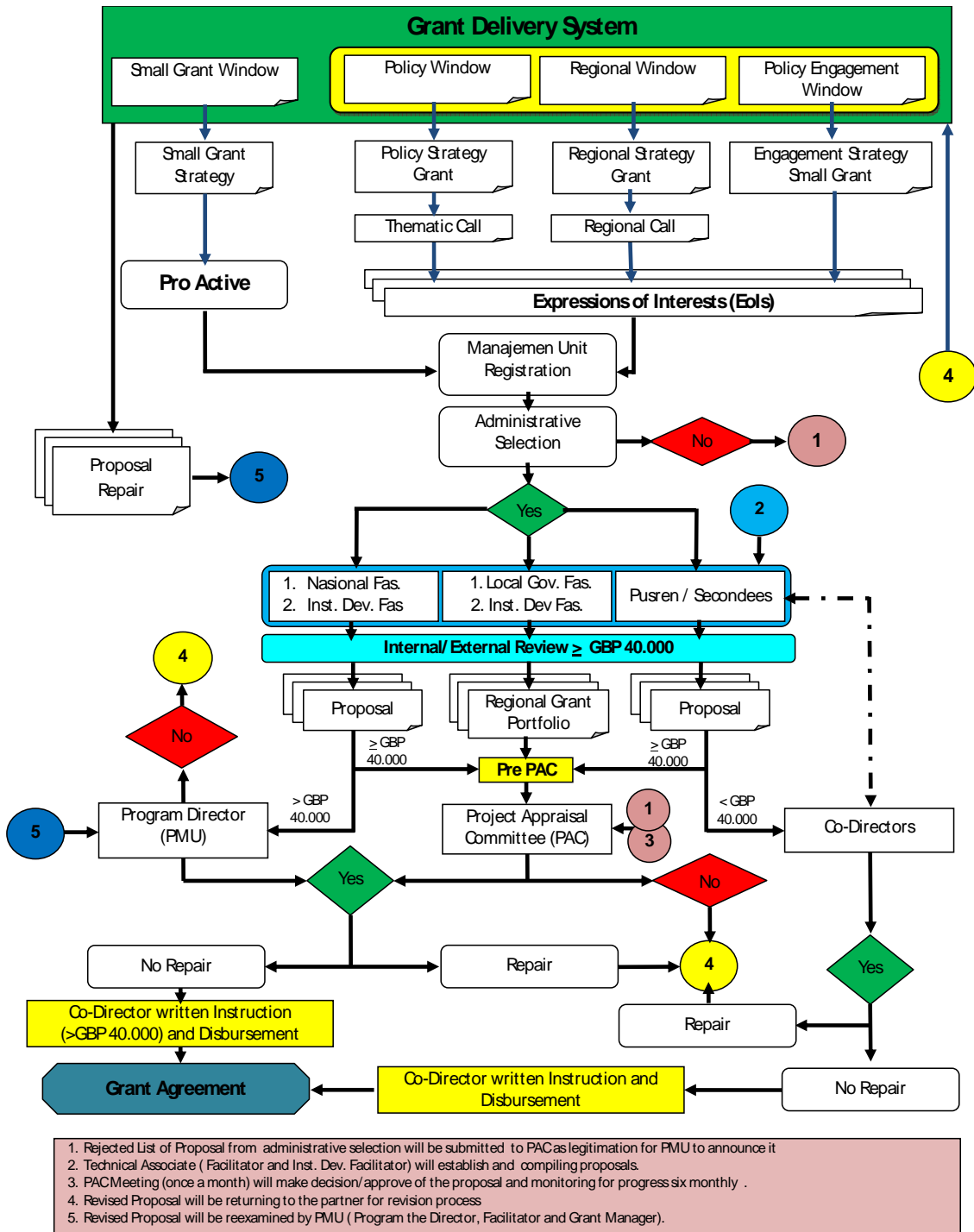
Proposals will be solicited via the Head of the Planning and Statistics Bureau (Pusren), Ministry of Forestry. **Proposals in excess of GBP40,000 will be approved by PAC. Proposals under GBP40,000 will be approved by the Co-Directors.**

PAC will conduct 6 – monthly progress reviews of the GoI grants portfolio to ensure agreed criteria and expected impacts are fulfilled.

5. **MFP facilitation and institutional development window** – This scheme will dedicate resources to MFP's own facilitation team (National and Regional Policy Facilitators, Technical Advisors and Secondees), to shape, mentor and monitor the four main grant windows (1 – 4 above). The scheme will provide grants to be administered by the Programme Management Unit for MFP facilitators to deliver:
  - a. technical assistance, including institutional development support for the Community Foundations and other strategic grantees;
  - b. training events; and
  - c. facilitation of strategic meetings;

- d. documentation, shared learning and communication;
- e. monitoring and evaluation.

This process should guarantee transparent, effective, and accountable grant disbursement related to program fund, constituency, and public. Grant Delivery System Chart from the above windows or grant portfolio (policy, regional, small grant and engagement) is presented below:



Picture 2. Grant Delivery System Chart of the MFP II

## **C. Decision Making Process and Mechanism**

### **C. 1. Partnership Development Scheme for Proponents outside MoFr**

#### **C.1.1. Initial Screening and Registration**

1. Incoming Expressions of Interest (EoIs) for regional and policy grants, and Small-Grants proposals, are screened by GAT. This is to ensure they comply basic administrative requirements (e.g. legal registration as an Indonesian organization).
2. Expressions of Interest and Small-Grants proposals are assessed, immediately rejected or progressed by MFP facilitators.
3. Selected Expressions of Interest are entered into the Partnership Database.

#### **C.1.2. Partnership Development**

4. MFP facilitators proceed to:
  - a. shape full **proposals** for policy grants, from a short-list of EoIs
  - b. shape **proposed regional grant portfolios**, from a short-list of EoIs
  - c. refine small-grant and MoFr proposals
5. MFP facilitators validate selected proposals, including the degree to which they match and work to deliver MFP's strategies, through:
  - a. Internal reviews by MoFr secondees and Technical Advisers (proposals <GBP 40,000)
  - b. Independent reviews by External Appraisers; one for proposals GBP40,000 – GBP80,000; two for proposals over GBP80,000. External Appraisers will be selected from selected from NGOs, donor agencies, research institutes, universities and government agencies, for their expertise in specific policy areas or regions. Appraisers will be remunerated for their time and (if necessary) retained on call-down contracts.
  - c. Further stakeholder consultation at national and regional level.

#### **C.1.3. Partnership Approval Process**

6. MFP facilitators prepare submissions to:
  - a. Grant administration team (administrative screening)
  - b. PAC (regional and policy grants  $\geq$ GBP40,000)
  - c. PMU (small grants <GBP40,000)
7. Small-grant proposals assessed, approved, rejected or returned to facilitators for improvement, by joint decision between the Programme Director, Finance Manager, GAT and the relevant facilitator, within 5 days of submission.
8. For proposals to PAC ( $\geq$ GBP40,000), a pre-PAC discussion will be held (within 5 days of submission and 2 weeks before the subsequent PAC meeting), between the Programme Director, Finance Manager, GAT and the relevant facilitator to ensure:
  - a. The proposal fits with MFP's policy or regional strategies and objectives.
  - b. All necessary documentation for PAC has been prepared, including written comments by MoFr Secondees, Technical Advisers and External Appraisers.

9. Documents will be passed to PAC members 1 week before.
10. PAC meetings will be organized once a month for grant approval and 6 – monthly progress reviews:
  - a. Attendees of the meeting:
    - Programme Co-Directors (as co-chairs and reviewers),
    - Programme Director
    - Finance Manager
    - Facilitator (presenter of policy proposal or regional grant portfolio)
    - Project proponents (partnerships  $\geq$ GBP40,000)
    - External Appraisers
    - Secondees and Technical Advisers
    - GAT (record of meeting)
  - b. Process:
    - 10-minute presentation by facilitator, or 20-minute presentation project proponent if proposal is  $\geq$ GBP40,000.
    - Presentation of written comments by External Appraiser, Secondees and Technical Advisers.
    - Joint decision by Co-Directors.
11. Result of PAC partnership approval process:
  - Proposal is accepted with no further revision needed
  - Proposal is approved in principle on condition of improvements. In this case, the proposal is returned to the proponent. The Relevant Facilitator will take follow up action as necessary.
  - Proposal is rejected.
12. Upon approval, the Co-Directors instruct in writing disbursement by the Programme Management Unit (PMU).

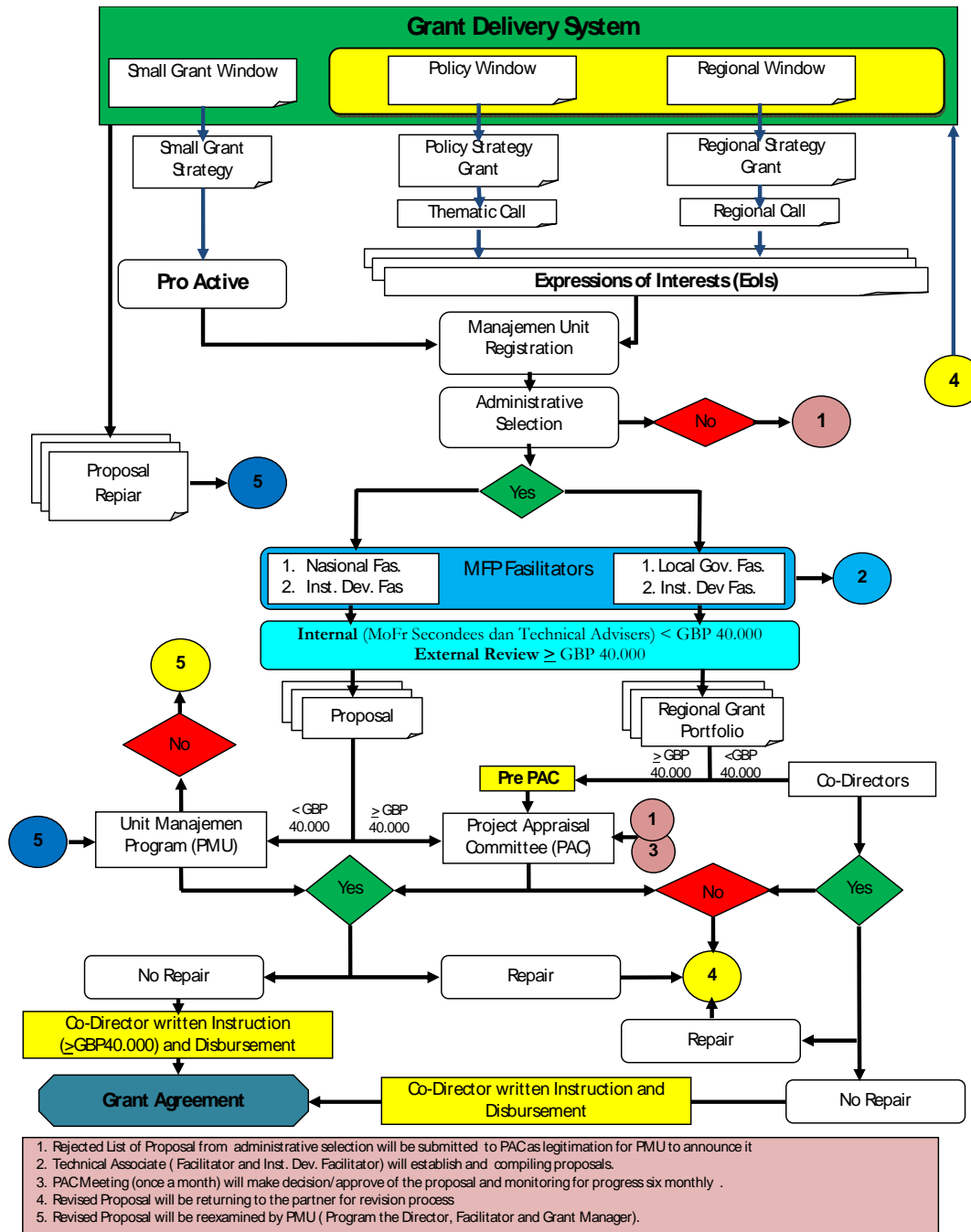
#### **C.1.4. Partnership Review Process**

13. PAC will conduct six-monthly reviews of:
  - a. Each policy grant  $\geq$ GBP40,000;
  - b. Regional grant portfolios  $\geq$ GBP40,000;
  - c. Small-grants strategy.
14. A pre-PAC meeting will be held 2 weeks before the PAC review meeting, between the Programme Director, Finance Manager, GAT and the relevant facilitator to ensure all progress documentation is in place and meets standards.
15. Progress documentation is circulated to PAC members 1 week before the review meeting.
16. Attendance and format of PAC review meetings will be the same as PAC partnership approval meetings, with the Co-Directors taking a joint decision to authorize or suspend subsequent disbursements.

17. Result of PAC partnership review process:

- a. Progress is satisfactory and the PMU is authorized to disburse the next trench of funds, in line with milestones established in the partnership agreement.
- b. Progress is unsatisfactory; subsequent disbursements are conditional on improvements being made.
- c. Progress is unsatisfactory; the partnership is suspended.

The Chart of Grant Delivery System for the three windows or grant portfolio (policy, regional, and small grant) is presented below:



Picture 3. The Chart of Grant Delivery System Outside MoFr

## **C.2. Grant Application Procedure for MoFr Engagement Window**

### **C.2.1. Initial Screening and Registration**

1. Incoming proposals from MoFr and partnership ministries are screened by the Head of the Centre for Forestry Planning and Statistics of the Forestry Planning Agency (MFP Implementing Agency) to ensure they comply with priorities established in MFP's strategy for engaging with MoFr and partner ministries.
2. Selected proposals are entered into the Partnership Database.

### **C.2.2. Partnership Development**

3. MoFr Secondedes refine proposals in line with MFP's strategy for engagement with MoFr and partner ministries.
4. MoFr Secondedes validate selected proposals, through:
  - a. Further consultation within MoFr and partner ministries.
  - b. Internal reviews by MFP facilitators and Technical Advisers for proposals >GBP25,000
  - c. Independent reviews by External Appraisers; one for proposals of GBP25,000 – GBP80,000; two for proposals over GBP80,000. External Appraisers will be selected from selected from NGOs, donor agencies, research institutes, universities and government agencies, for their expertise in specific policy areas or regions. Appraisers will be remunerated for their team and (if necessary) retained on call-down contracts.

### **C.2.3. Partnership Approval Process**

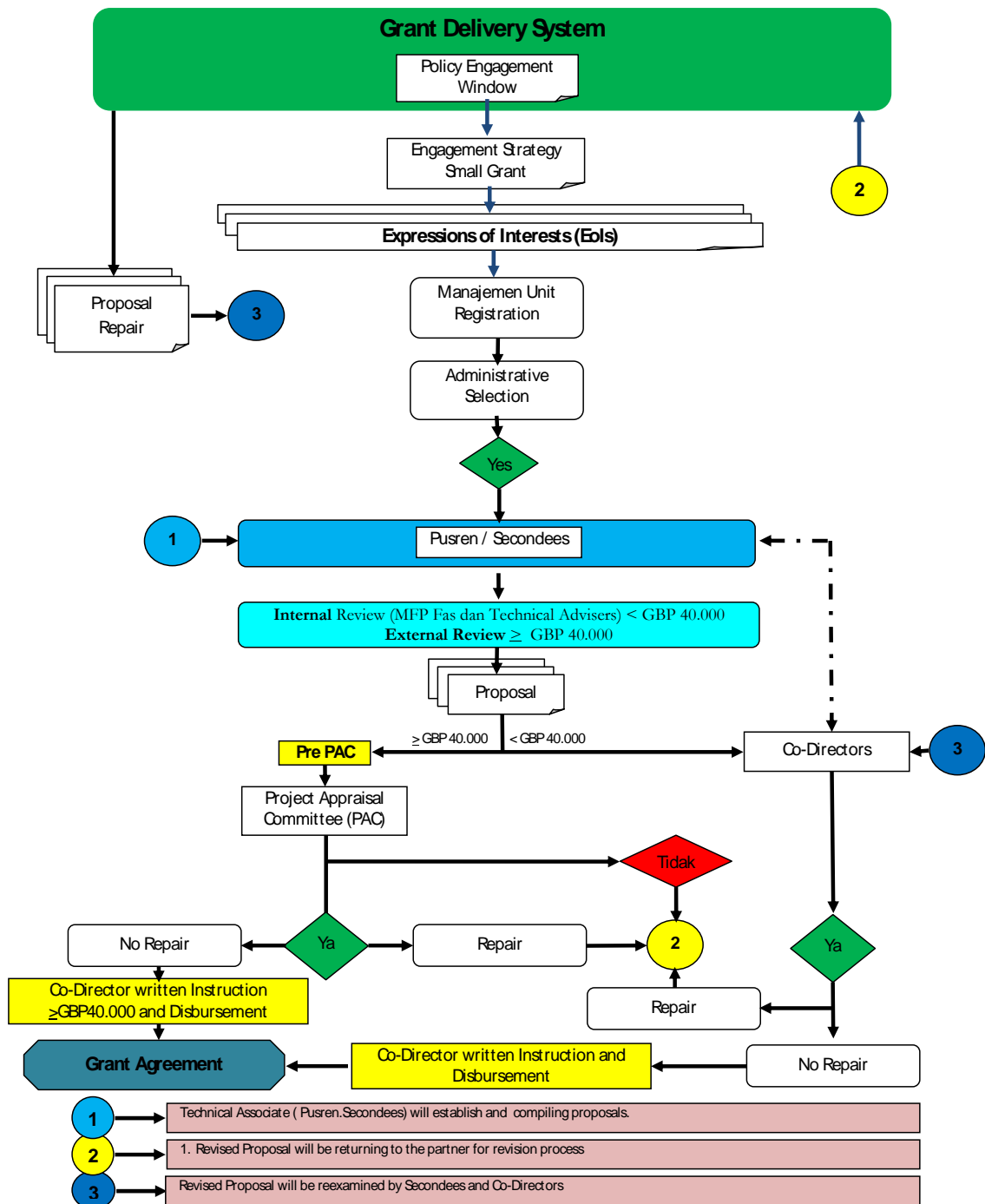
5. MoFr Secondedes prepare submissions to:
  - a. Grant administration team (GAT) for administrative screening
  - b. PAC (regional and policy grants  $\geq$ GBP40,000)
  - c. Co-Directors <GBP40,000)
6. Proposals of <GBP40,000 are approved, returned for improvement or rejected by joint decision of the Co-Directors, within 5 days of submission. This will take into written comments by MFP facilitators and Technical Advisors.
7. For proposals to PAC ( $\geq$ GBP40,000), a pre-PAC discussion will be held (within 5 days of submission and 2 weeks before the subsequent PAC meeting), between the Programme Director, Finance Manager, GAT and MoFr Secondedes to ensure all necessary documentation for PAC has been prepared, including written comments by Technical Advisers and External Appraisers.
8. Documents will be passed to PAC members 1 week before.
9. PAC meetings will be organized once a month for grant approval and 6 – monthly progress reviews:
  - a. Attendees of the meeting:

- Programme Co-Directors (as co-chairs and reviewers),
  - Programme Director
  - Finance Manager
  - Facilitator (presenter of policy proposal or regional grant portfolio)
  - Project proponents (partnerships >GBP80,000)
  - External Appraisers
  - Secondees and Technical Advisers
  - GAT (record of meeting).
- b. Process:
- 10-min presentation by facilitator, or 20-minute presentation project proponent if proposal is >GBP80,000.
  - Presentation of written comments by External Appraiser, Secondees and Technical Advisers.
  - Joint decision by Co-Directors.
10. Result of PAC partnership approval process:
- a. Proposal is accepted with no further revision needed
  - b. Proposal is approved in principle with improvements. In this case the proposal is returned to the proponent. The MoFr Secondee will take follow up action as necessary.
  - c. Proposal is rejected.
11. Upon approval, the Co-Directors instruct in writing disbursement by the Programme Management Unit (PMU).

#### **C.2.4. Partnership Review Process**

12. PAC will conduct six-monthly reviews of MoFr engagement grants of >GBP40,000.
13. A pre-PAC meeting will be held 2 weeks before the PAC review meeting, between the MoFr Secondees, Programme Director, Finance Manager, and the to ensure all progress documentation is in place and meets standards.
14. Progress documentation is circulated to PAC members 1 week before the review meeting.
15. Attendance and format of PAC review meetings will be the same as PAC partnership approval meetings, with the Co-Directors taking a joint decision to authorize or suspend subsequent disbursements.
16. Result of PAC partnership review process:
- a. Progress is satisfactory and the PMU is authorized to disburse the next trench of funds, in line with milestones established in the partnership agreement.
  - b. Progress is unsatisfactory; subsequent disbursements are conditional on improvements being made.
  - c. Progress is unsatisfactory; the grant is suspended.

The Chart of Grant Delivery System through MoFr is presented below:



Picture 4. The Chart of Grant Delivery System through MoFr

#### D. Role of Facilitators in the MFP Partnership Mechanism

D.1. In line with the Programme Direction, the MFP Facilitation Team will consist of:

1. National policy facilitator
2. Local governance facilitator
3. Institutional development facilitator

- D.2.** As established in the Programme Direction, the MFP Facilitation Team will work with the:
1. **MoFr Secondees**
  2. **Technical Advisors:**
    - International and national VPA consultants
    - Global Opportunities Fund (GOF) consultant (Forests and Climate Programme Officer, British Embassy - DFID)
- D.3. Lead responsibility for facilitating proposals will lie with:**
1. Long-term policy window – **National Policy Facilitator**, with support from the Institutional Development Facilitator, MoFr Secondees and Technical Advisers.
  2. Long-term regional window – **Local Governance Facilitator**, with support from the Institutional Development Facilitator, MoFr Secondees and Technical Advisers.
  3. Small-grants window – **National Policy Facilitator or Local Governance Facilitator**, with support from the MoFr Secondees and Technical Advisers.
  4. MoFr engagement window – **MoFr Secondees**, with support from the National Policy Facilitator, Local Governance Facilitator, and Technical Advisers.
- E. Key functions of the MFP Facilitation Team under the Partnership Mechanism:**
1. Using the MFP Implementation Framework, develop strategies through multi-stakeholder **consultations** at National, Provincial and District levels for implementation of MFP Program for:
    - **Long-term policy window**
    - **Long-term regional window**
    - **Small-grants window**
    - **MoFr engagement window.**
  2. Be ready to receive or solicit:
    - **Expressions of Interest (EoI)s for policy and regional grants**
    - **Small-grant proposals**
    - **MoFr proposals.**
  3. Following administrative screening by the Grant Administration Team (GAT), facilitate the process of:
    - **shaping full proposals for policy grants**, from a short-list of EoIs
    - **shaping proposed regional grant portfolios**, from a short-list of EoIs
    - **refining small-grant and MoFr proposals**
  4. Validate proposals through:
    - **Internal reviews by Secondees and Technical Advisers**
    - **Independent reviews by External Appraisers**
    - **Further stakeholder consultation at national and regional level**
  5. Prepare a recommendation required to start the Proposal Appraisal Process

6. Submit for approval by:
  - **Grant administration team** (administrative screening)
  - **PAC** (regional and policy grants  $\geq$ GBP40,000)
  - **Program Director** (small grants <GBP25,000) or
  - **Co-Directors** (MoFr Engagement Window <GBP40,000)
  
7. **Monitor, evaluate and document partners' progress against agreed milestones, for 6 – monthly progress reviews by PAC.** Documentation should be prepared and submitted to PAC 2 weeks in advance of each progress meeting.
  
8. **Attend PAC meetings to:**
  - **Make 10-minute presentations** of proposals and progress reports for partnerships <GBP40,000;
  - **Facilitate 20-minute presentations** of proposals and progress reports by project proponents, for partnerships >GBP80,000 (thematic policy grants, and regional grant portfolios).

Grant administration mechanism and program facilitation support should link to Grant Delivery System, four grant portfolio strategy, Strategic Plan, Log-frame, and Strategic Partnership Scheme.

To oversee the program implementation, any component of MFP (Co-Director, Secondedes, Program Director, National Facilitation Team, Regional Policy, Technical Advisors, and the PMU staff) will be involved in every step of decision making process and program administration.

#### **F. Selection Criteria for Strategic Partner**

To ensure program management and grant delivery meet the expected target, strategic partner selection should consider the organization experiences in program management as well as its legal status. Selection criteria for strategic partner are:

- The organization has experiences and track records both in dealing with the relevant issues and in program management ;
- The organization has legal registration as an Indonesian organization;
- The organisasi has the articles of association and bylaws that allows for grantmaking activities;
- The organization has sufficient capacity in human resources and infrastructure to carry out program assistance, management, and financial administration.
- The organization is ready to take responsibility for any problem that might arise, especially in program management and grant disbursement;
- The organization has complete structure

#### **G. Selection Criteria for Community Foundation or other organizations**

- Non profit, works in specific area, has resource mobilization role, and a grant making organization not an implementation organization,
- The organization has legal registration as an Indonesian organization, represents multistakeholder governance, equal opportunity to take role for civil society, government, and private sectors,

- The organization has community empowerment mission and objectives, focusing on poverty reduction and sustainable natural resources management, especially in forestry,
- The organization has the capacity/competence and sufficient experiences in the areas of program facilitation, resource mobilization and grantmaking,
- The organization has sufficient infrastructure, organizational system and procedures, and human resources,
- The organization that is concerned to increase the capacity of civil society, explore local resources potential, promote multistakeholders partnership, encourage private sectors engagement and set up public policy dialogues.

## **H. Partnership Establishment and Strategic Alliance**

MFP implementation should also lead to partnership establishment with organizations or networks at regional, national, and international level, especially with those that have the same vision of promoting the decentralization of forest management , better policy for forestry governance and the ideas of community foundation development in Indonesia. Partnership is also directed towards engaging to as many stakeholders as possible in providing support for MFP II, for example partnership with donors, private sectors, and research institutions for support in substance and funding. Partnership and strategic alliance can be developed by information and resources sharing in promoting and disseminating MFP information and forestry issues.

## **I. Terms and Roles of MFP Units**

Terms, roles and main tasks of MFP units are adjusted with the partnership strategy through grantmaking for the synergi between program management and its components. The Units in the MFP and their key roles are:

### **1. Steering Committee (SC)**

The Steering Committee will be co-chaired by the Secretary General of the Ministry of Forestry and the Head of DFID. It will be comprised of:

- MoFr
- DFID
- BAPPENAS
- Representatives of other ministries, civil society, local government and the private sector will also be appointed by mutual agreement of DFID, the Ministry of Forest and BAPPENAS.

The Steering Committee will:

- Meet every six-month
- Approve strategic direction of the Program
- Approve annual work plan and budget headings
- Ensure monitoring and reporting systems are in place
- Ensure annual audits are undertaken
- Participate in Annual Reviews and a Mid-term Review
- Offer policy guidance on sustainable and equitable natural resources management and climate change
- Advise on Program support and technical assistance during the regular planning, implementation, coordination and evaluation phases
- Support additional resource mobilization from other donors

- Ensure coordination and synergy with other programs in government, civil society and donor portfolios

## **2. Co-Directors**

There will be two co-directors, one from Ministry of Forestry and one from DFID. Their role will be:

- Provide strategic oversight of the Program
- Advise on planning and budgeting
- Chair the Project Approval Committee
- Review and approve reports on major grants
- Review and approve annual and final reports for submission to the Steering Committee
- Approve major grants.

## **3. Project Approval Committee (PAC)**

The PAC will ensure strategic support to key partnerships and quality control over Implementation Strategies and grant proposals and will build up a relevant and influential portfolio of governance partnerships. All grants and grants to the PAC for appraisal and approval by consensus. The PAC will meet 6 monthly to progress review, mentoring of each portfolio grants and implementation Strategy. The PAC will evaluate national partnership proposals, block grants and grants to the Community Foundations (CFs). The criteria for grantmaking, the transparency of the PAC process, and guidance for proposals will be based on the models tested during implementation of MFP.

The PAC will be chaired by the Co-Directors and the members will include the Program Director, the Program Facilitators, representatives of the Ministry of Forestry, and relevant Technical Advisers. Paid external expert reviewers will be used for all large proposals. Other representatives of government partners may also be invited as permanent participant to ensure linkages with Ministry of Forestry, bridge ideas between central and local governments, and share information and trends.

## **4. Program Director**

- Manage the day-to-day operations of the Program on full-time basis.
- Develop the program strategy, annual work plans and operational budgets, report on these six-monthly to the Steering Committee through Co-Directors
- Prepare for and participate in the Project Approval Committee (PAC) and manage the process for approving and administering grants to national partners and the Community Foundations, and for commissioning approved consultancies where needed
- Build relations and effective networks with relevant Program partners, policy makers, businesses, donors and civil society actors to further the interest of the Program
- Line manage the Program facilitators and administration staff
- Keep regular communications with, and seek regular advice from, the technical advisers to ensure strategic interventions and partnership are maintained
- Fulfill all reporting requirements to DFID in a timely manner

## **5. MoFr Secondees**

Two members of staff will be seconded from the Ministry of Forest to the Program Management Unit on a full-time basis. Their salaries will be met by the Service

Provider. Their terms of reference will be developed by the Service Provider and agreed by the Co-Directors.

## **6. Technical Advisers**

- Advise the Co-Directors, Program Director and Program Facilitators on key policies, opportunities and partnerships, based on their specific expertise.
- Make recommendations for specific programs/projects to work with, or partnerships that might be funded under the program, in relation to key policy developments
- Advise key national partners on policy and strategy
- Advise the Program on the performance of national partner and CFs in Program implementation based on their specific expertise

The Service Provide may draw on technical advice by:

- Convening on a regular (i.e., quarterly) basis, an advisory forum where technical adviser share trends, networks, provide useful advise, feedback on strategies, assign specific areas for collaboration, among others.
- Recruiting consultants as needed
- Drawing on input from DFID (or other) consultants already planned (international and national consultants for VPA negotiation support, and the Global Opportunities Fund (GOF) climate change and forestry)

**7. Program Management Unit** is the Unit directed by the MoFr and DFID to facilitate program implementation. MFP Management Unit consists of Program Director, Senior Finance Manager, National Policy Facilitator, Local Governance Facilitator, Institutional Development Facilitators, Grant Manager, Finance and Accounting officer. Roles and responsibilities of the MFP Management Unit are:

- Manage grants in an accountable manners and submit periodical reports according to the DFID standards;
- Facilitate the institutional development of the MFP partners including the program development and networking;
- Facilitate partnership between central-local government, civil society and private sectors;
- Support policy and development analysis;
- MFP Management Unit is responsible for the program management and operations, including efficient and accountable program supervision;
- Prepare staff with relevance skills required in the term of reference (TOR) that will be used by the Service Provider in the selection process and contract: Program Director, Facilitators, Expert (when needed), Administration Staff (Grant Manager, Senior Finance Manager, and Office Manager), and supporting staff.

Detailed job description and roles of Program Facilitators for National Policy, Local Governance, and Institutional Development are as follows:

- Work with the Program Director and technical advisers to develop the implementation strategy and annual work plans and budgets,
- Facilitate the partnership process with national partners and the Community Foundations, including proposal development, project implementation, and monitoring and evaluation,

- Manage the portfolio of national partnership and Community Foundations, building effective relations, partnership and influence,
- Facilitate policy and partner networks on key issue related to the program (Program Facilitator for Policy Development),
- Monitor and support all aspects of the Community Foundation work, to ensure effective delivery of local civil society and government partnerships in the regions (Program Facilitator for Institutional Development),
- Identify and nurture key partners for national-level policy development,
- Provide advice in the Project Approval Committee (PAC) process for grantmaking.

8. **Community Foundation**, (or **CFs**), are one of the solution for community empowerment concept with long-term perspective. They are supported by endowment fund establishment and partnership strengthening. These institutions grow to fill the capacity gaps and to promote resource diversification for civil society. CFs are non profit organizations reflecting the diversity of society at certain geographical areas, that mobilize and distribute resources based on the local needs, focus on critical issues and aim to increase the life quality of the society as high as possible.

Significant roles of CFs in the community empowerment context are described below:

- **Increase the Capacity of Civil Society**  
CFs support the capacity strengthening of NGOs and CBOs in related regions by providing support for small organizations, sometimes those without legal registration, but have potential in community empowerment. CFs can support capacity strengthening in financial and program management, as well as facilitation for network building among similar organizations in the region.
- **Explore Local Resources Potential**  
CFs seek funding support from domestic and international resources for community empowerment efforts, including resources from public and private sectors, as well as individuals. Innovation and creativity is an crucial in resource mobilization, particularly from private sectors and individuals. Challenges in community empowerment become CFs' responsibility in the long run, therefore resource mobilization should make endowment fund establishment as a priority, to ensure the sustainability in applying programatic approach.
- **Promote Multistakeholder Partnership**  
CFs were established by the representation of various sectors at local level, including NGOs, private, government, and community. Most of the establishment processes went through long consultation and discussion involving all stakeholders. CFs managed to build connections among community groups, local organizations and donors.
- **Encourage Private Sectors Engagement**  
Private sectors engagement in the CFs growing is one of the important innovations in community empowerment. This engagement should be developed significantly and based on clear strategy, not only in term of fund contribution, but also in technology and human resources.

- **Set up Public Policy Dialogues**  
The influence of civil society institutions in the policy advocacy is weak and their advocacy works tend to be sectoral. They failed to demonstrate that they were part of the larger civil society movement. Consequently, CFs should be able to provide rooms for various organizations to establish multi stakeholder discussions and dialogues concerning public policy issues, through providing opportunities for civil society participation and opinion.

Considering the above roles, there are several key characteristics that CFs should have. These characteristics are:

- **Establishment**  
Generally, CFs are established by local community groups that have understanding and strong commitment to make changes in the development context in their region. Therefore, CFs are formed based on specific and clearly defined geographical area. The organization mission should articulate roles and commitment of all stakeholders, that are informed widely and cover various objectives in community empowerment. CFs is grantmaking institution, not an implementing institution.
- **Governance Structure**  
The structure of CFs Board and Directors will play an important role in sharpen the community empowerment concept, resource mobilization and grantmaking. The Board (founding members, board of trustees, or supervisory board) will reflect the multi stakeholder interests from all sectors, legitimize the existence of the institution and become the connector for donors.
- **Program and Activities**  
The CFs programs should benefit and give direct impact to local community, referring to the national social and economic development objectives. Supported activities include (among others) technical assistance, capacity building, information dissemination, networking, policy advocacy and other specific activities according to the local community needs.
- **Fund and Resource Management**  
CFs have diversified resources, from the local community and outside. Besides donors, these resources can be generated from private sectors, government or individual contribution. CFs attempt to establish endowment fund to support programmatic approach based on the longterm perspective of the organization.

### **8.1. CFs Proposal Solicited to the Service Provider/Program Management Unit**

Partnership between MFP and CFs should be based on equality principle and interdependence. MFP focuses on specific issues, forestry in particular, and select work-area priorities in line with those of the MoFr.

CFs proposal solicited to the Service Provider/Program Management Unit is commence with mapping the issues and MFP priorities to be compared with Strategic Plan of each CFs. This is the basis of proposal development and consensus building. MFP has certain requirements for grant management, that possibly may influence grantmaking system of CFs. Those requirements should

not interfere with the prior arrangement established among CFs and their constituents and implementing partners.

In addition to proposal, MFP will map each CF condition, such as: institutional development status, competence (for program facilitation, management, resource mobilization and grantmaking), infrastructure preparedness, organization system and procedures, human resources, track records in program and financial management, and other status as required. This mapping will become the basis for assessing the established criteria.