



**PROGRESS  
REPORT**

**October – December 2009**

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**FOREST GOVERNANCE AND  
MULTISTAKEHOLDER FORESTRY  
PROGRAMME 2008 – 2012**

Cooperation between:



**DFID** Department for  
International  
Development

Service Provider by:



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## Introduction

This quarterly report is a part of the reporting and accountable process of Program Management Unit (PMU) of Forest Governance and Multistakeholder Forestry Program Phase II (MFP II II) to the Steering Committee (SC), Executing Agency (EA) and Co Directors of MFP II II. As a part of the process, the document can be used for monitoring and evaluating the progress of the program conducted by Yayasan KEHATI as service provider and secondees and consultant as PMU advisors.

The progress report period October - December 2009 is based on the 3rd SC Meeting outcome, where there was a change of program focus from 3 objectives with 6 outputs into 1 objective with 3 outputs. Therefore the progress of the program cannot be measured with indicators stated in the Logical Framework Program (LFP) approved in the 2nd SC Meeting (July, 17 2008). The progress report in this periode is different from the usual, as it is using LFP revision process as a program objective. It has an impact to the completing of Annual Work Plan program (AWP) of financial year 2009/2010 which was approved 7 month after the program started, which means AWP 2009/2010 was officially applied after approved by the 5th SC Meeting on 27 October 2009.

Related to the program, PMU has recorded all activities that can be reported. Especially on the process occurred in the program implementation stage by partners, mainly CFs. It is important to report the progress, obstacles, risks and handling process during the quarter periode as a note to evaluate the program progress independently.

The progress report also includes the program budget expenses in brief managed by Yayasan KEHATI. The details will be informed in the end of fiscal year 2009/2010. At the moment, the Independent Auditor is conducting financial auditing process to MFP II and its partners which have completed the projects and are completing the projects.

Jakarta, 11 January 2009

***Program Director***  
***Forest Governance and Multistakeholder Forestry Program***

# Chapter I

## The Progress of Program

The progress report period October - December 2009 is a part of reporting process and as a reference for monitoring the progress of MFP II program period 2009/2010. As a progress report, the references used in the report are Logical Frame Program (LFP) and Annual Work Plan (AWP) 2009/2010. However, this progress report is different from the usual report, as it is using the LFP and AWP 2009/2010 draft which officially approved by Steering Committee in October 27, 2009.

As references for assessing the progress of program, LFP and AWP 2009/2010 periode April 2009 – March 2010 were compiled for more than 7 months, thus the process of compiling LFP and AWP has become a part of activities considered as program “progress” of MFP II. The indicator of the program progress is still a “check list” of planned activities, means it still cannot be seen and analyzed further to describe the impacts of the program.

The progress in this report still can not be considered as a big achievement of the MFP II program, as there was a program refocusing which has made 2 big programs that have been facilitated by MFP II cannot be continued, those were Community Foundation development for facilitating community access to develop the Community Based Forest Management (CBFM) and forming the Forest Management Unit (KPH) as well as the program on Climate Change and Reduce Emission from Deforestation and Degradation (REDD). The refocusing of the program was not stated in the official document. However, it was informed officially to the stakeholders. Therefore it is difficult to say that the program has significant progress, except it has become a lesson of the on going process.

### A. Progress in Three Months

Program progress during period October – December 2009 was finishing new LFP, document of AWP 2009/2010 and budget allocation that have been approved by the 5th Steering Committee on 27 October 2009. In LFP and AWP 2009/2010 it was stated that the program refocusing should be emphasized on Voluntary Partnership Agreement (VPA) negotiation, strengthening the promotion and implementing the Timber Legality Assurance System (TLAS) as an instrument for legal timber trading which is a part of the governance reforming process in forestry sector.

Since the program refocusing has been started in the beginning of period 2009/2010 (March 2009), several activities, those were planning and program implementing preparation were conducted intensively. This condition has occured to make all programs can be implemented immediately after the 5th SC meeting decision considering the limited time, practically from November 2009 – March 2010.

While working on LFP and AWP 2009/2010, in paralel PMU has also conducted the finishing of 8 projects that have been committed in period 2008/2009 including the administration process and monitoring the programs. The activities that have been completed in this quarter were CFs activities, institutional supporting for communtiy around Taman Nasional Manupeo – Tanadaru through Burung Indonesia Foundation in Central Sumba – East Nusa Tenggara, accelerating the permit process for HKm, HTR in Kendari and BPKH XI Jogjakarta for CBFM indication areas in Java and Madura Islands.

Related to the refocusing and the program workplan, PMU has also conducted revision on all documents of SOP and policies, Program Management, Fix Standard for Project Disbursement to be in line between all rules and policies with new program policy to promote TLAS and VPA negotiation PROCESS. All document revision activities were targeted to be approved and endorsed by Executing Agency in January 2010.

## **B. Description of Output Outcome in Line with Program Plans**

To see the output outcome of program plans, this quarterly report cannot imply the achievements of outcome analysis based on impact monitoring of the program activities. The refocusing has shown that the MFP II activities were limited only on monitoring the TLAS and VPA signing preparation. Therefore during October – December 2009 no progress has been shown as the impact of the program, except its implementation process such as policy socialisation in several regions, improving the human resources capacity and other meetings for preparing all procedures in the system built by Ministry of Forestry decree No. 38 Year 2009 on TLAS.

### ***Output 1: Sufficient capacity to implement TLAS (Supply chain control, accreditation processing, auditing, independent monitoring, and licensing and structuring implementation mechanism)***

This output has 4 indicators to achieve in 2009/2010. To achieve 1<sup>st</sup> indicator, PMU has conducted several programs, those were training activities for improving the capacity in monitoring the TLAS implementation. Of the 7 trainings planned up to March 2010, there were 2 activities that have been conducted; those were the Refreshment for Auditors which has invited 40 auditors and the Training of Trainers training (ToT) that has released 38 trainers with new understanding on TLAS. The detail of the activities related to output 1 were as follows:

#### **1. Auditor Refreshments :**

The objective of the training was to give additional knowledge on TLAS to licensed auditors, on the Ministry Decree No. 38 Year 2009 and Directorate General BPK Rule No. 6 Year 2009. Besides, the auditors have also learnt about on ISO 17011 and ISO Guide 65 related to the Accreditation to Assessment Institution on Sustainable Forest Management Performance (ISO 17011) and the Accreditation to Verification Institution of Timber Legality (ISO Guide 65).

There were 40 participants of the Refreshment Training came from 15 Independent Assesment Institutions accredited (temporarily) by National Accreditation Committee and 1 Verification Institution of Timber Legality (BRIK) as well as monitoring participants of Ministry of Forestry (MoF).

#### **2. Training of Trainers Training :**

The objective of this training was to train trainers, conducted on 7-12 December 2009, which facilitating the unit managements to get prepared before audited by the Verification Institution. The focus of the training was more to prepare unit management on TLAS knowledge and to prepare the activities and document needed in TLAS audit. The participants of the ToT were staff of BPK, MoF and Widyaiswara Pusdiklat, as well as MFP II and Fleg-T with the total participants 25 people. It was expected that after the training the participants could prepare the unit management be audited by Independent Verification Institution.

The participants of ToT TLAS were also local governance facilitator of MFP II II and secondee to get new knowledge on TLAS as well as to get perspective and train capability on TLAS. The training was successful, although methodologically, there should be a methode improvement as it was monotonous and flat.

### **3. Training on TLAS Monitoring for Community conducted by Telapak :**

In this quarter Telapak has conducted 2 trainings for customery communities, those were ;

#### **a. TLAS Monitoring Training for Customery Community in Sorong :**

The training was conducted in Sorong, attended by 17 participants from various customery or *Adat* groups in Sorong and TLAS Monitoring Training for *Adat* community in Yapen, Serui-Papua conducted in Ambaidiru Kampong, Central Yapen Mountain range, attended by 20 participants of 7 big *Adat* Groups in Yapen.

The training was about TLAS and its monitoring; documentation technic using digital camera (on going), video recorder and GPS and basic investigation and research as well as advocacy. It is expected that:

- Participants understand how to analyze case based on TLAS, actors, strength and weakness and how to set the advocacy plan.
- Participants understand the priciples and basic research and investigation.
- Participants understand and are able to apply the principles and the technic using the monitoring devices.

#### **b. TLAS Monitoring Training for Customery Community in West Kalimantan**

As a follow up of the same training conducted to customery community in West Kalimantan in previous quarter, Telapak working together with AMAN have planned to do monitoring the timber circulation in West Kalimantan, especially in Semunying, Bengkayang Subdistrict this quarter.

Related to the training, Telapak has set some manuals as follows:

- Advocacy manual.
- Documentation manual.
- Investigation manual.
- Basic manual for community.

### **4. TLAS Implementation Tryout in Jambi:**

TLAS implementation field test in Jambi was conducted in HTI Company of Sinar Mas Group and Plymill Lontar Papyrus in Jambi. The objective of the field test was to test whether TLAS as a system to know the timber legality can be implemented or need to be improved. It is expected to get the inputs to improve it as a complete system.

### **5. TLAS Socialisation and TLAS Implementation Tryout Plan in East Kalimantan :**

Socialisation was conducted to all stakeholders in East Kalimantan, especially to unit managements which are going to implement TLAS. The objective of this socialisation was to give understanding on the TLAS to all forest management units as an obliged instrument to legalize timber production and circulation. The training was conducted in Samarinda

attended by 70 participants, including Forestry Office and Technical Management Unit, MoFin East Kalimantan.

Besides the socialisation, it has been discussed the tryout location for implementing TLAS in forest concession for natural forest.

**Output 2: TLAS certified timber recognised in key international markets.**

Some activities conducted during this quarter to achieve output 2 were:

First activity is the facilitation of the 2nd Technical Working Group. The activity was conducted on 1-2 December 2009. In the meeting it was discussed several things such as brainstorming and ideas exchange on TLAS concept compared to TLAS generic version EU; updating info on due diligence legislation in the view of EU, VPA process in other countries, cooperation with 3rd countries, in this case is China, public procurement policy, VPA text recognition, further support potential for TLAS development and other relevant issues. In this meeting it was agreed to have more effort to get clear concept on TLAS to make it more compatible with EU TLAS generic. Technical assistance was provided by having experts in the meeting. Moreover, there will be next technical meeting series to reach the understanding agreed by both parties on TLAS.

Both parties have agreed some activities in the future. The 3rd TWG meeting was agreed to be conducted on 25-26 January 2010 in UK or Brussel. The 4th TWG meeting might be conducted in the 1st week of March 2010 in Bali. They have agreed to have the 5th TWG meeting before the 3rd SOM in April or May 2010. There is a hope that VPA can be signed by both parties in the middle of year 2010.

Second activity is related to timber market updating, there were 2 activities developed by LGF, those were: 1) to connect the MFP II website to other websites which have updates on timber market reports. It is expected that users can get updated and completed information on timber market. 2) to translate the draft of research outcome discussed in ITTO Meeting.

The researches have given latest informations on policies, timber market perspectives and other recent timber issues. There were 3 research outcomes that have been translated: 1) (draft) Report on the Study of Technical and Environmental Standard of Tropical Timber Products in International Markets. It was prepared for ITTO by Mr. Jukka Tissari, FAO, UN. B) (draft) Report on Development and Progress in Timber Procurement Policies as a Tool to Promote Sustainable Management of Tropical Forests. This report was submitted to ITTO by Markku Simula and Baharuddin Haji Ghazali, Richard Eba's Atyi and Oscar Perez Contreras. And 3) Report on the Review of United Kingdom Timber Market. The report was submitted to ITTO by Alhassan Attah and Michael Adams. The information will be an important part of recent information on timber market condition in website of MFP II.

Third activity is meeting between MFP II and TNC to discuss the initiation and initiative revitalisation cooperation between Indonesia – China in forest management. It is expected to have an informal meeting between delegation of Indonesia-China in Beijing in the first week of March 2010, facilitated by DFID Beijing.

### ***Output 3: Representative mechanism in place to review and strengthen TLAS implementation***

There are 3 indicators for output 3 as follows :

#### ***1. Proportion of MoFor monitoring reports cross checked for validity by TLAS auditors***

The activities that have been conducted were refreshment for working group capacity building, socialisation and TLAS implementation monitoring and working group for compiling the manual guide for integrated work plan.

In the meeting it was discussed the rules, assessment and procedures plan on the derivation of Minister Decree No. 38/2009, especially to prepare the TLAS implementation rules. MFP II has facilitated the meeting together with BPK and other related institution on 15-17 October 2009. So far each working group and especially the manual guide and rules compiling team of BPK have completed several drafts on rules and manual guides to implement TLAS and MFP II has concerned to support the acceleration process in the beginning year 2010 to get the documents ready.

The MFP II facilitation will be integrated with PMU works in output 2 by conducting on protocol and TLAS manual guide finishing through the meeting by inviting experts to discuss it on 5-6 January 2010.

WG monitoring, an intensive Timber Legality Monitoring Group (KPLK) has improved the frame work of CSO for TLAS monitoring, TLAS socialisation by MFP II together with FLEGT and BPK for East Indonesia areas (in Bali), Java (in Jogjakarta), Sumatera in Jakarta and Kalimantan and Sulawesi in Surabaya within period July – August 2009. Some other progress after SC had approved the workplan were capacity building trainings for all parties in understanding and implementing TLAS, conducted by MFP II and Pusdiklat such as Refreshment Auditors, ToT trainings and more 5 other trainings in the beginning 2010.

#### ***2. Percentage of complaints successfully resolved by Permenhut 38/2009 dispute resolution mechanism***

The progress to fulfill this indicator has been conducted in several stages or scenarios. Firstly, MFP II was offering proactive approach to Lembaga Ekolable Indonesia (LEI) and KARSA to do compative study and reasearch. The research would be facilitated by MFP II II focusing on 2 things, to build and identify the dispute mechanism, institutionally, representing all parties and TLAS implementation component. The identification was expected from the stakeholder experiences in the field. Secondly, building the mechanism options of dispute resolution of existing institutional models in Indonesia, such as Ombudsman Commission, Human Right Natioanal Committee (Komnas HAM) and others public mechanism. It was important to study the mechanism built by many parties, especially in the stage of dispute resolution related to rights and public assets.

LEI have conducted the research on first aspect above on their network, through Regional Communication Forum (Forum Komunikasi Daerah - FKD). The activity has been conducted since November 2009 and back to back the workshop for TLAS implementation field test and dispute resolution conducted in East Kalimantan on 10-16 January 2010.

Meanwhile, KARSA will take part on the second aspect and up to now it is still being discussed and still on the process of planning. The outcome of the 2 research and studies will be combined in a preparation meeting before going to the workshop on 18 March 2010.

### **3. *Independent performance review process to improve standards and implementation of Permenhut 38/2009 developed, implemented and results publicly accessible***

The progress activities that have contributed to this output were still in the stage of preparation. One of the activities was compiling the CSO training for independent monitoring which was planned to be held on 8-9 January 2010. The activity would be identified the needs to conduct trainings including the preparation for compiling the independent monitoring modul which was held by a team facilitated by MFP II on 20-25 January 2010.

Related to the facilitation of forming and strengthening the Institution of Timber Legality Monitoring, there were 4 activities conducted during October, November and December 2009, those were:

- 1) Regular meeting on Timber Legality Monitoring Group (KPLK) reviewing internal agenda. The most important of the meeting was to prepare the concept draft on Independent Monitoring Institution of Timber Legality Verification System.
- 2) KPLK meeting with Komite Akreditasi Nasional (KAN). The meeting was a part of KPLK to develop the knowledge on KAN and its works in accrediting the Timber Legality Verification Institution. The role of KAN in TLAS is important, therefore KAN's process and its works in timber legality should be comprehended. Moreover, the meeting was a media for KPLK to introduce to the institutions that are monitored. Through this mechanism, KAN will be understood that their works will be watched by KPLK.
- 3) KPLK meeting with BRIK on 15 December 2009. The meeting was a part of KPLK effort to build knowledge institution on BRIK and its works. BRIK has important role in timber legality certification. Presently BRIK is the only institution that can give timber legality certificate. In the meeting, KPLK has had updated information on BRIK. BRIK at the moment is trying to adjust and comply with ISO guide 65 as certification institution. KAN will be accreditate BRIK in short time for fit and competency test as certification institution.
- 4) Building networks and communication with Global Witness to see chance for cooperation in developing the capacity of independent monitoring institution and to improve the CSO capacity in monitoring timber legality. From this meeting we can learn the work of Global Witness and there is a chance for cooperation between KPLK and Global Witness for the works above.

## **C. Program Facilitations**

### **Network Buildings**

#### **1. Timber Legality Monitoring Group**

PMU has conducted the function for building partnership network with other parties and institutions. The progress is important achievements in building working networks as follows:

KPLK networking, in which some of MFP II staffs, has been involved in managing the network, especially to connect with CSO group actively in monitoring TLAS implementation. KPLK has conducted meetings internally for strengthening governance, the mechanism of KPLK institutional works as well as paralelly conducting discussion with related institutions on TLAS implementation, such as meeting with BRIK (15 December 2009 and KAN (November 2009). All these activities were to learn the bureaucracy dynamics and work relationship in TLAS monitoring system.

KPLK has also met the delegation of EU on 1-2 December 2009 and has informed EU on the civil society model concept on the meeting The Technical Working Group Forum between delegation of RI and EU in Jakarta.

## 2. Forest Governance Learning Group

MFP II has built and widen networks with FGLG consists of several Asia members (India, Vietnam, Cambodia, Indonesia) and Africa (Malawi, Cameroon, Zimbabwe, Uganda, Mozambique, Tanzania, and South Africa) by involving actively in the share learning related to forest governance activities. In the 8th FGLG in Indonesia, MFP II has promoted the program of Pro Poor Carbon Initiatives on its site projects in Tenganan village, Karang Asem Bali to the participants of the forest governance group. The meeting was conducted on 30 November – 2 December 2009 in Bali.

## D. Revision on Planning and Program Activities

Generally, the program activities in the quarter October – December 2009 were to complete the LFP and AWP 2009/2010 revision. The revision with its refocusing has shown a big change of the program, plan and activities to reach the outcome of MFP II. 6 program outputs planned in LFP of MFP II 2008/2011 to reach 3 objectives of programs stated in Letter of Arrangements between MoF and DFID has been reduced into 1 objective with 3 outputs which are very detail to reach the objective.

<b>Objective and Output in LFP MFP II (2008/2011)</b>	<b>Objective and Output in LFP MFP II (2009/2012)</b>
<p><b><u>Goal:</u></b></p> <p>Significant roles of both countries to deliver and contribute to the global objectives in forestry</p>	<p><b><u>Goal:</u></b></p> <p>All traded Indonesian timber demonstrated legal, as a precondition for effective forest governance, sustainable forest management.</p>
<p><b><u>Purpose</u></b></p> <p>Enabling conditions for legal and institutional reform toward SFM in place by 2011, that support poverty reduction, and climate change adaptation and mitigation in the forestry sector</p>	<p><b><u>Purpose</u></b></p> <p>A credible Timber Legality Assurance System (TLAS) that is recognised by the market.</p>
<p><b><u>Output</u></b></p>	<p><b><u>Output</u></b></p>

Objective and Output in LFP MFP II (2008/2011)	Objective and Output in LFP MFP II (2009/2012)
<ol style="list-style-type: none"> <li>1. TLAS as instrument of good forestry governance, sustainable forest management, and trade agreement (as in VPA) is finalized.</li> <li>2. Institutional mechanisms for dispute resolution and strengthening community roles in the forestry sector is significantly catalyzed.</li> <li>3. Best practices on forest management and governance to promote growth equity, and accountability documented.</li> <li>4. Standards and mechanisms for monitoring the improvement of corporate governance and investment performance is sufficiently facilitated.</li> <li>5. Improve capacity of civil society organisations to mobilise resources, engage and hold to account government and other stakeholders.</li> <li>6. Pro-poor investment regulatory and institutional instruments to link CBFM with carbon markets identified.</li> </ol>	<ol style="list-style-type: none"> <li>1. Sufficient capacity to implement TLAS (Supply chain control, accreditation processing, auditing, independent monitoring, licensing and structuring implementation mechanism).</li> <li>2. TLAS certified timber recognised in key international markets.</li> <li>3. Representative mechanism in place to review and strengthen TLAS implementation.</li> </ol>

The significant change can be seen on the LFP differences approved by the 2nd SC meeting year 2008 compared to the 5th SC meeting year 2009. During a year there were program changes, from goal up to program output. The consequence of the significant change is the program partners who are no longer fit with program focus will be reshaped and terminated.

## Chapter II

### The impacts of the Program Refocusing on the Community Foundations

The refocusing in the beginning of the program has impacts on the commitments developed by PMU in the beginning of MFP II. As reported in the annual report and program review result of CIDT – Wolverhampton University, it can be seen that the strong point of MFP II is on its partners in grass root level, which is Community Foundations. The works of CFs have been prepared and planned by MFP II as a part of community empowerment in decreasing the level of poverty and sustainable nature resources management, especially in forestry sector. CFs as a grantee has 2 objectives which are simultaneous, parallel and mutually strengthened.

Firstly, the general objective was to support and facilitate the CFs development in each area. This was an implementation of the MFP II concept and perspectives that was to duplicate and widen CFs' developments in other areas or even in the CFs' area it self. The CFs institutions were based on going concern principle to let the CFs develop and improve without limited time and not only depend on the MFP II program and the periodisation. Secondly, the particular objective built was to reach the program objectives, to widen supports and impact as well as to prepare assurance for program sustainability.

With its strategic roles, MFP II's approaches and facilitations for CFs were more practically in the field, those were:

1. To improve the role and the capacity of civil society in empowering the community as one of the main actors for sustainable development.
2. To search the potential and several of resources, especially local resources, including from the public sector, private sector individually.
3. To support the multistakeholder partnership by combining all interests of stakeholders to assure consolidation of resources and supporting the power and independency of local people.
4. To support involvement and active role of private sector in community empowering
5. To build a space for dialog on public policy for multistakeholders by giving room for participation and initiatives to civil society
6. To increase efficiency and affectivity on program management, especially in grant disbursement and other supports.
7. To improve the absorbance and management of resources owned by the program, as well as potential resources support of other donors.
8. To get support and multistakeholders' participations for the objectives of the programs
9. To strengthen the synergy between program executors, to widen and extend the impact of the program as well as to assure the program sustainability.

MFP I has initiated the CFs' establishment in provinces in the end of the program in 2006. There were 5 CFs set up in 5 provinces; those were Java Learning Centre, CF Sulawesi, Sumatera Sustainable Support, Yayasan Samanta, and CFs Papua. Except Papua, the 4 CFs are still exist, functionally and worked well.

Generally, CFs has started its program on the issue of multistakeholders approach since September 2008 - June 2009. During its difficult and lesson learnt period, CFs have been in the middle of program where some of the CFs have completed the activities and its responsibilities. Therefore the achievements of CFs can be noted as a lesson for all parties.

The assessment conducted together with MFP II in November 2009 was a part of MFP II works and mandates in building and improving CFs in Indonesia. With the concepts of working and growing together with activists and CFs' partners, there was a lot of achievements that could be reached and as a pendulum to improve the CFs' performances and to assure the CFs' concepts to be developed in Indonesia and be a seed for existing institution in provinces.

Some difficult challenges faced by MFP II in maintaining CFs' existence and developing CFs in the future, especially on the sustainability of the institution and its programs have given some lessons to PMU – MFP II and Yayasan KEHATI. Some lessons have been emphasized which could be learning documents for all parties who want to see the progress in developing the works for strengthening civil society organizations.

There were seven aspects or indicators that could be used to analyze and understand the condition and the improvement of CFs. The seven aspects were developed from the basic concept and work of MFP II in working with activists and MFP II partners. The seven aspects could be used by all parties to response the process, activities and impacts of the CFs and its partnerships. These achievements could not be measured on how big an institution manages it, but on how the role and performance of CFs on the three pillars agreed previously.

The three pillars to measure CFs progress were first, civil institution change in root level, where independence and existence of the civil society organization working in the nature resources management (especially forestry) was measurable in the field. Second, the change of government policy to the poor, giving access and service for nature resources management for community was fair. And third, there was a clear interest share to the community where there was prosperity improvement and downsizing the poverty in and around the forest.

The seven indicators used for analysing to understand the dynamics and CFs progress area were: 1) preparing the institution and policy frame, 2) determining the role and building trust, 3) understanding the nature development circulation, 4) improving the resources collectivity capacity, 5) improving the budget and investment management capacity, 6) improving the grant disbursement capacity and 7) improving the multistakeholders partnerships. The detail of each aspects in brief were as follows:

### ***1) The Institution and policy Frame Preparation***

In general, CFs was established by local community groups who have understood and have had strong committment to make changes in development matter context in the local areas. Therefore, CFs was built with certain scope of geographies with clear definition. Each process has had some uniqueness and has been started with several consultation process involving multistakeholders, both NGO, private and government. Conceptually, the mission of the institutions was to be able to articulate the role and the commitment of multistakeholders and it has to be publicly informed, including all aspects of objectives in community empowerment with

the target of main recipients is fragile poor community, neglected and isolated. The CFs organisation were as a grantee or grant making institutions, not direct implementing institutions.

As a new concept, CFs have defined and chosen the right institutional status. Different choices have occurred on the institutional level such as Javlec, Samanta, SSS Pundi and Sulawesi Community Foundation where each choice has been discussed together with the activists and founder. It was noted that they were concerned with their existence as a grantmaking institutions with a big amount and representing the interest of all parties.

This progress was amazing, as in the institutional and policy frame in CFs internal side, the independence of the “main” institution could be assessed to keep improving. The impact of MFP II facilitation in building the program framework could be seen in a better way the CFs manage the grant. The trust of other donors has shown that they have had acceptable institutional criteria performance.

## ***2) Role Determination and Building Trusts***

CFs as a community empowerment concept was a new initiative in civil society strengthening. In determining its roles, CFs has built it with full efforts and succeeded through many processes internally. Although, in its role as grantmaker, which are facilitating and supporting the NGOs works and CBOs in that area, CFs was not tested yet. Up to now it is still difficult for CFs to determine their role and to build the strong constituents’ root. At the same time CFs have to build trusts from donors for its strength on the management mechanism. Other trusts being built were from private and government sectors, especially on multistakeholders approaches. Moreover, CFs should get trusts on managing the program and transparent and accountable financial management. CFs still needs to be facilitated to build communication strategy and sufficient support to socialize the organisation role as well as to build the constituents and to get public trusts.

To fulfill this indicator is needs hard work. MFP II facilitations in fact were not enough and need more investment. Limited time and inproptu termination program have become a disturbance in the process of role determination and trust building. It has to be admitted that MFP II role in assuring the partners in province and root level was big enough. The restriction of many parties on CFs roles needs MFP II facilitations intensively. Unfortunately, MFP II can not continue its mandates.

## ***3) Understanding the Nature Development Circle***

In MFP II perspectives, 3 stages of CFs development and progress area were: Institution Building, Program and Constituency Development and Institutional Sustainability. The three progress stages were the nature progress circle of grantmaking institution which in normal condition needs 6-10 years time. The circle could not be realized as the other parties and other CFs supporters were not patient enough to support and maintain CFs in their growing stages. Even, the actors, founders and other components in the organizations still have had problems with their mindset of implementation into awareness with a longterm perspective, both in fund raising (for example focusing on the endowment fund and grant delivery (pragmatic approach).

Since the programs that have given CFs chances to prepare the administration devices and system as an institution which functions as grantmaker could not be continued, there was stagnancy in CFs works. The in completed facilitations by MFP II have made some plans could not be conducted. It tends that there is a slow stage in CFs progress.

#### ***4) Improving the Capacity for Getting Resources***

One of the previous concepts agreed by CFs was CFs resources in long term should be from local strength to make community independence, not depend on the donors. Diversification and various resources were success quality indicators for getting resources, not only focused on getting donors. To connect the CSR programs of companies and works for getting fund for CFs were a mutual strengthening partnership. The initiative of endowment fund needs a lot of hard work by building trusts, both from the local resources for an initial/leveraging fund or from the private sector, government and other donors.

This role was not easy for CFs as some of obstacles were centered in the individual capacity and networking of CF institution management. With its limited human resources and management aspects of the program, all CFs were still not able to spend enough time for getting funds. Therefore it still depends on the donors.

#### ***5) Improving the Capacity of Fund Management and Investment***

One of the requirements for CFs existing and progressing for funding independence is to set up endowment fund as a trust of donors for a long lasting funding. The fund considered as an asset, not as an income. Thus, it has to be a part of organisation asset management. The revenue and gain of this investment activity are categorized as income and can be used for the organisation. The fund has to be managed with 2 objectives, those are to maintain the real value for long term and to give fix income for the organisation cost. To maintain the real value is a combination of investment the art of management, budgeting and disbursement of the investment outcome.

Through the MFP II facilitations, CFs have had a good progress in managing funds and its networks. In this position, Yayasan KEHATI as Service Provider has conducted trainings and facilitations for program and financial audit for all CFs intensively.

In term of fund raising, PMU has facilitated and connected some donors and eco friendly companies to get funding in province. The progress is quite good and it has been a significant progress of CF works. However, with this refocusing, there will be no more facilitation.

#### ***6) Improving the Capacity of Grant Making***

In CFs point of view, grant disbursement is the other side of the same coin, besides donor funding. The mechanism of grant delivery is a part of program management capacity, starting from planning, grant disbursement, monitoring and reporting and accountability up to the maintaining the program sustainability. The instrument for disburse the grant has to be strong to assure the criteria and indicators to reach the target of the partners, which at last be a part of CFs successful analysis as an institution. If the resources from donors are still enough, then the instrument has to fit with the donors' agreement which is often specific.

During the CFs and MFP II works, trainings and facilitations for improving the capacity of grant delivery works have been conducted by MFP II intensively. Through the program built together, PMU has had a chance to facilitate CFs in improving their works in grant disbursement. Through the mechanism of proposal selection in CFs by Proposal Approval Committee (PAC), PMU has conducted capacity building through facilitations when the selection is conducted.

With this refocusing, the process of capacity building is no longer conducted as time and MFP II activities are not possible to continue this kind of activities. CFs itself are still using PAC mechanism in its work to manage the grant, however PMU is no longer involved in the process.

The thing that is still possible to do is by communicating intensively and maintains networking with them.

### ***7) Building Multistakeholders Partnership***

Partnerships and alliances of multistakeholders need a long time to build the agreement and need more time to keep the relations, mutually respect each other and trust each others. However, the principle of multistakeholder partnership inter-sector is a definite requirement for the success of sustainable development. Partnership means to combine in building new strength based on potential and power of each party for reaching the objectives. Since partnership is a process, then the bound is for long term into “free bounding”. Free bounding means every party still has their own space to reach the objectives, but still bounded in the same target as the basic of partnership.

Of the evaluation analysis of CFs progress, the refocusing has a big impact where automatically there is no longer facilitation from the MFP II. Although CFs are still exists without funding from MFP II, other donors suchas Partnership and Governanace Reform (PGR) are still granting for CFs activities. However, it has changed a lot without a “special” facilitation of MFP II.

## Chapter III The Financial Report

During October – December 2009, the total of disbursement was Rp. 1,949,081,103. The disbursement was as follows:

### **A. Program Cost**

The total disbursement of cost program was Rp. 1,544,493,430 or about 79 % of the grand total, consists of :

The disbursement of grant making as stated in MoU with partners for fiscal year 2008/2009 was: Rp. 991,400,000.

- *Window Program Managemet Unit (PMU)* : Rp 471.400.570
- *Window Ministry of Forestry (MoFr)* : Rp. 520.000.000

1. The disbursement for program facilitation was Rp. 174,888,800
2. The disbursement for staff honor (program personnel for secondee, facilitators, IT staff, finance staff and supporting staff) was Rp. 378,204,060.

### **B. Operational Cost**

The disbursement for MFP II operational was Rp. 404,587,673 or about 23 % of the grand total with detail as follows :

1. The expense for MFP II Operational is Rp. 97,647,951
2. The disbursement of management staff honor (personnel management for program director, grant manager, financial manager, office manager and secretary) was Rp. 197,683,932.
3. Institutional fee for KEHATI as service Provider was Rp. 109,255,970

Based on SC meeting in October 2009, there was a change in window grant making, that was from 4 windows in period 2008/2009 (National Policy Window, Strategic Small Grant Window, Ministry of Forestry Window and Regional Window) into 2 windows, those were PMU Window and Ministry of Forestry Window.

Since there was no change of Ministry of Window, the 3 other windows were combined into one as PMU windows. This condition has had an impact on the budget coding change and disbursement.

## Chapter IV

### The Obstacles, Risks and Program Management

#### A. Obstacles

As reported above, during period October – December 2009, the PMU has faced obstacles in managing the program to achieve what have been stated in LFP and AWP 2009/2010. These obstacles have occurred as the new frame and workplan were approved in the middle of the on going program. In detail, the obstacles were:

##### 1. Reshaping and Refocusing partners' on going program

The consequence of the 3rd SC meeting outcome on program focus refocusing has made PMU to conduct intensive discussions with the on going partners. This was not easy as program refocusing justification were not 'enough strong' to push the partners to change their program directions. The obstacle faced by PMU was to assure the partners not to complain writtenly to the Public, as they, in fact, have a strong reason to 'refuse' and submit the complain which finally will be informed to the public.

Another obstacle in refocusing the on going program to implement TLAS was the new TLAS policy in which the substance and the process have to be understood by multistakeholders. The program refocusing (especially CFs) has created an unfair "pressure" to the MFP II partners.

As an example, the program of BPKH XI Java – Madura has been conducted 80 % for mapping and counting the forest carbon of community forest in Java – Madura. Since there was a refocusing of the program, they were urged to manage their program to TLAS preparation of the timber products of community forest. Substantially, it was significantly not fit with their program as the mapping of forest carbon potential was a part of the process for building pro poor initiatives, a process for preparing infrastructures for voluntary carbon market which giving insentives to the community in managing the sustainable forest. However, with TLAS, there was a contraproductive condition where it has been involving timber products.

##### 2. From "Grant Making" into "Executor"

In the process of compiling LFP and AWP revision, and significantly budget downsizing in fiscal year 2009/2010, it can be seen that PMU at last had to change its way of work in every part of the program. In previous mechanism, Facilitator and Grant Management were part of grantmaking process, while in the third quartal of 2009/2010, they should change the direction to be Executor of the program directly. This situation changes the performance of PMU basically.

Finally, it has affected the partners that have sent proposals and those that have been processed. Further, those proposals have to be returned to the partners. It was difficult to the program facing the situation, as officially both Government of Indonesia and UK, in this case referring to MoFand DFID, have not announced the change to all partners of MFP II.

### 3. The Redirection of Budget Management System

Point (1) and point (2) above have changed the budget management system. Previously, MFP II II has informed the public through “Call for Proposals” and official website of MFP II II regarding the grant management system through 4 (four) windows, those were Policy Window, Regional Window, MoF Window and Small Grant Window. Refocusing program has automatically changed the budget management system by reducing the existing windows and more importantly no grant distributing mechanism through “Call for Proposal”.

As Service Provider, the obstacle of the system was on the justification of responsibility and audit program and financial process. There was no strong reason for the change of the system and it has influenced the performance of Yayasan KEHATI as Service Provider. In this case, it has not been discussed yet in SC meeting to have a certain decision.

### **B. Risks**

From the above obstacles, the risk that PMU facing was the strategy to come out of the MFP II program investment which has been exist since MFP II I and the first year of MFP II II. The significant investment was on the MFP II program related to higher forest issues and governance. Some issues related to this were such as CBFM development for village forest (HD), customary forest (HA), community forest (HR) and (HKm) which could decrease poverty, developing the KPH pilot in several areas as the gate of forest governance, developing CFs as a strategy to strengthen the civil society, and pro carbon initiative which was a strategy for climate justice in global climate change.

The risks that MFP II having were the loss of its works and recognition in advocacy and policy main issues related to forest governance and REDD. By refocusing, MFP II program has no longer involved actively and become a pioneer for the above programs. This impacts have not been concerned by the two Governments, particularly MoFand DFID. Furthermore, MFP II II partners that have trusted MFP II work to support their programs were difficult to accept the refocusing and the change of their program.

Another risk was the loss of partners and its investments in root level. Many programs had to be released to other donors, especially in root level including the initiation that has been built in CFs and the discontinue of pioneer programs such as facilitation for building the organization of KPH in several provinces (Kalimantan and Papua); supporting service desk for permit and organizing community access in managing the forest for HD, HA, HR and HKm that have been initiated by MFP II in the first year; developing Small Medium Enterprises (SME) that has been prioritized by MFP II in the last 6 years and supporting the climate justice for poor community.

The mentioned risks were a very expensive price for MFP II for its known in strengthening the civil society, advocacy and policy analysis for good governance and preparing infrastructure for climate justice for the poor.

### **C. Obstacles and Risk Management**

Facing the above obstacles and risks, PMU has conducted maximal efforts to handle it. With social investment of each staff in the program, the obstacles and risks can be handled with

soft approach by keeping building trusts to MFP II works in the future. PMU has conducted several actions to handle obstacles and risks as follows:

1. Conducted group discussions with CFs and their board to inform and assure the refocusing that has affected their on going programs. For the group discussions, all facilitators, secondees, and program director have come directly to all partners at the same time. The discussions were followed by PMU facilitations to change their program with MoU amendment as basis to conduct the program.
2. Reviewed the partners program, especially CFs to assure that the on going program and finance can be redirected to support the MFP II program focus in year 2009/2010.
3. Facilitated the program activities directly, both as a facilitator and as event organizer during 2009/2010.
4. Assisting the partners' program reporting and financial report for preparing cooperation amendment up to March 2010. (The end of MFP II financial year 2009/2010).
5. Preparing ToR of the on going program activities, such as socialisation of TLAS, TLAS tryouts, preparing TLAS trainings, and building the training modul for increasing the capacity. Those works were conducted together with Pusdiklat MoFand Directorate General of Bina Produksi Kehutanan (BPK), Department of Forestry.

## Chapter V Conclusion

This report is a part of accountable process of PMU in managing the program and the mechanism of SC, Executing Agency and Co Directors in monitoring the program progress of MFP II II. Some notes reported were lessons for implementing the next step. Detail and each process of the activities conducted and the financial report can be downloaded in MFP II website: <http://www.mfp.or.id>.

The tentative agenda in January – March 2010.

### MFP II's Agenda until Maret 2010

No.	Agenda	Time Schedule	Venue	PIC	Budget Pos
1.	Finalizing TLAS Protocols with All WG members and partners	5 – 6 January	Peninsula Jakarta	DH	2.1.1.2
2.	FGD: TLAS Trainings Plan until March 2010. PUSDIKLAT, BPK and MFP II	7 - 8 January	Permata Bogor	NA dan DP	1.1.1.1 (sisa 20 Jt)
3.	Writing Workshop: Module Development for CSOs training on TLAS monitoring	8 – 10 Januari	Bandung	RR	3.3.1.1
4.	Management Meeting	12 January	Jakarta	Co-dirs	Management Cost
5.	Pilot test on TLAS implementation – BFI Kalimantan.	10 – 15 January	Kaltim	NA and RR	Commitment 2008/2009
6.	Workshop: Conflict Resolution in TLAS implementation – LEI (back to back with BFI's result workshop)	16 January	Balikpapan	NA and RR	3.2.1.1
7.	Workshop Socialization TLAS with Polisi (10 POLDA dan Mabes POLRI), Perdagangan dan Bea Cukai	18 January	Surabaya	DR & NA	1.3.1.1
8.	Finalizing the revision of SOPs	25 January 2010	Jakarta	DP	Fasilitasi
9.	Chatham House dan TWG 3	20 – 25 January	UK	UK-Codir	2.1.1.2
10.	TLAS's Training series	End of January, February (2 X) 1 <sup>st</sup> week of March	Bogor	NA	Output 1
11.	Training Workshop TLAS for Small Industry	2 <sup>nd</sup> week of February	Surabaya	NA	Fasilitasi : A.2.1 (40 Jtan)
12.	Co-Dirs and Executing	1 <sup>st</sup> – 3 <sup>rd</sup> week of	4 regional:	DR	Fasilitasi

No.	Agenda	Time Schedule	Venue	PIC	Budget Pos
	Agency Field Trip to CFs	February	Jogja, Makasar, Jambi dan Mataram)		(Monev : 2.1.3)
13.	TWG – 4	1 <sup>st</sup> week of March	Bali	DH	A.2.3 (Monev)
14.	Annual Year Meeting (internal evaluation and report 2009/2010)	2 <sup>nd</sup> week of March	Bali	Co-Dirs	Back to back with TWG 4
15.	Indo – Chinese Trade relationship Meeting	8 – 11 March	Beijing	DH	Tidak ada dalam anggaran MFP II
16.	Preparation Meeting for Conflict Resolution Workshop in TLAS Mechanism	11 March 2010	Jakarta	RR, NA, DR	Management Cost
17.	IFFINA	10 – 13 March	Jakarta	DH	1.1.1.1 (Sisa dana 30 Jt)
18.	Workshop “Conflict Resolution Workshop in TLAS Mechanism	18 March 2010	Jakarta	RR dan NA	3.2.2.1

## **CHAPTER I BACK GROUND**

Concluding the Memorandum of Understanding between the Governments of Indonesia and the United Kingdom signed in October 12<sup>th</sup> 2000, the Ministry of Forestry of the Republic of Indonesia and the Department for International Development (DfID) of the Government of the United Kingdom signed a Letter of Arrangement in October 11<sup>th</sup> 2008, committing an initial GBP 5 million for a period of three years (2008 – 2011) to a second phase of Forest Governance and Multistakeholder Forestry Programme (MFP II).

The MFP II Programme is aimed at supporting forest governance reform, with a particular focus on the negotiation and implementation of an EC – Government of Indonesia Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade (FLEGT-VPA). The program's objectives are to strengthen government and civil society partnerships at local and national levels to build capacity, empower community forest managers and develop and implement policy. In particular, the program will work to nurture and strengthen its network of Community Foundations in the regions, established with previous program support. Over the next three years, the program will also work with stakeholders to identify and implement necessary governance reforms for Reducing Emissions from Deforestation and Degradation (REDD) implementation.

Funded initially by DFID's Forest Governance and Trade Programme, which is focused on tackling illegal logging, it was hoped that other donors would join the programme and help fund other elements of the log frame. This has not yet happened and following an Inception Review, DFID and the Ministry of Forestry agreed, at the Steering Committee meeting of 22nd June 2009, that MFP II2 should be revised and re-focused to strengthen the achievement of Output 1.

Before the June 2009 SC meeting, the MFP II Programme Management Unit (PMU) had submitted the first Annual Work Plan (AWP) 2009-2010 on March 2009, taking into consideration the recommendation of the Independent Evaluator and DFID Jakarta Office. The first AWP 2009/2010 consists of strategies that covered the "pessimistic and optimistic" conditions due to the limited availability of funds from DFID UK. However, only activities related directly with the VPA process and TLAS implementation such as the socialization of TLAS could be financed through the KEHATI Foundation as the service provider. The first AWP 2009/2010 has thus never been officially endorsed by the SC and the only new activities undertaken in the past 6 months was the socialization of TLAS in 4 regions, completed in September 2009.

Under these circumstances, the PMU has submitted the second AWP as the new AWP 2009/2010 and seeks its endorsement at the upcoming SC meeting scheduled on October 2009. The new AWP will be based on the agreement on SC meeting June 2009; to re-focus the orientation on output 1 with particular emphasis on: (1) VPA negotiation process and socialization of TLAS implementation; (2) Strengthening the institutional capacity to deliver TLAS; (3) International recognition and mechanism to review and strengthen TLAS

implementation; (4) Secure budget allocation to support the committed projects as planned on AWP 2008/2009 and AWP 2009/2010.

The process for the development of the new AWP 2009-2010 began with the consultative meeting between DFID, the PMU and the Director General of Production Forest Management (BPK) in July 12, 2009. The result of this consultation was a revised of logical framework with a set list of activities, estimated budget, target and milestone which has been discussed several times with the relevant stakeholder under the MoFr including the Center for Forestry Education and Training (Pusdiklat) and the Directorate General of BPK. The representative of DFID UK, Mr. Hugh Speechly also involved in developing the logframe with the PMU. The new logframe is expected to be endorsed by the SC Meeting on October 2009 as part of the new AWP 2009-2010.

## CHAPTER II SCOPE OF PRIORITY

### 2.1 Elaboration The New Needs and Priorities

To elaborate the recommendation from June 2009 SC meeting enriched with the consultation process for developing the new logframe and activities, the DFID and PMU worked closely with other relevant MoFr agencies to synergise the role and responsibility of the programme implementation. The new needs and priorities have been taken into account in the work programme described in this chapter, taking into account the needs of the previous programme as described in the Letter of Arrangement.

Under the supervision of Dr. Hadi Daryanto (the DirGen of BPK), the DFID and PMU team developed a new logical framework focused on three basic priorities as follows:

- **Institutional strengthening** (procedure, code of conducts, and capacity building).  
As the Timber Legality Assurance System (or Sistem Verifikasi Legalitas Kayu, or TLAS) is a new instrument, much capacity building is needed of the main actors at all levels to ensure the smooth implementation of TLAS when it is fully implemented.
- **Market Recognition of the Indonesian TLAS (TLAS) to gain international recognition.**  
A good legality assurance system is worthless if it does not meet the needs of the market. A promotion programme is also required to ensure Indonesian TLAS-verified timber is acceptable and obtain sufficient incentive from the market. In particular a special programme need to be developed to support the VPA negotiation processes between the Government of Indonesia and the EU, as the first stage in international recognition of the TLAS.
- **Review of the TLAS implementation.**  
Aware of imperfections in the TLAS system, BPK is keen to develop a system to enable objective review of implementation, including ensuring the best monitoring and evaluation of the system. Hand in hand with other concerted parties and donors, MFP II will facilitate the establishment and empowerment of a multi-stakeholders working group to develop the function of reviewing the implementation of TLAS.

The development of this new logframe took around 3 (three) weeks, resulting in the following (new) outputs, indicators and milestones:

#### Output 1

**Sufficient capacity to implement TLAS (Supply chain control, accreditation processing, auditing, independent monitoring, licensing and structuring implementation mechanism),** with the following indicators:

- 1.1 Number of LP&VI auditors trained and certified; Number of LP&VI accredited by KAN.
- 1.2. Percentage of timber production and processing units, including small forest enterprises, trained to implement TLAS; percentage of trained enterprises certified.
- 1.3. Capacity of other key actors to fulfil their specified roles in implementing TLAS.

1.4 Awareness of key interest groups on aims and operation of TLAS

**Output 2**

**TLAS certified timber recognised in key international markets**, with the following indicators:

- 2.1 Availability and acceptability of FLEGT-licensed timber in EU market
- 2.2 Acceptability of TLAS-certified timber in key non-EU markets

**Output 3**

**Representative mechanism in place to review and strengthen TLAS implementation**, with the following indicators:

- 3.1. Proportion of MoFor monitoring reports cross checked for validity by TLAS auditors.
- 3.2. Percentage of complaints successfully resolved by Permenhut 38/2009 dispute resolution mechanism
- 3.3. Independent performance review process to improve standards and implementation of Permenhut 38/2009 developed, implemented and results publicly accessible

It is worth noted that the limited number of the (new) outputs and indicators is aimed at ensuring the achievement of the ultimate target of TLAS in place, well implemented, and gain international acceptance. The completed logframe showing the planned activities and milestones for 2009/2010, 2010/2011 and 2011/2012 is attached.

### CHAPTER III

## THE COMPLETION OF THE EXISTING PROJECT FROM AWP 2008-2009

Following approval from the Steering Committee held on June 22, 2009, MFP II has been completing the activities initiated in AWP 08-09 from the original log frame with funds from DFID. During this transition period, committed projects have faced delay due to the cash flow limitations as well as the new orientation.

Nine major projects have to be completed with respect to strengthening Output 1 following amendments to the outputs and targets from the original log frame. One project will be done as planned (i.e. without modification). The identified projects and changing are as shows on the table below:

Output	Grantees	Budget Commitment	Reshaping recommendations to strengthen Output 1 and others
1	TELAPAK	GBP 53,074 (Jan 2010)	<ul style="list-style-type: none"> <li>• In implementing TLAS, Civil Society Organizations (CSO's) is involved in monitoring TLAS implementation</li> <li>• The schedule of the project needs to be amended</li> </ul>
2	KARSA - Jogjakarta	GBP 26,630 (Feb 2010)	<ul style="list-style-type: none"> <li>• Structure and the public complaints mechanism as a component of TLAS monitoring, verification and dispute resolution bodies</li> <li>• KARSA is need to discuss with DKN related conflict resolution in CBFM including promoting CBFM to TLAS or TLAS</li> <li>• Amend the scope of work and schedule of the project</li> </ul>
3	KOMDA SF Kendari –SE Sulawesi	GBP 21,571 (Jan2010)	<ul style="list-style-type: none"> <li>• Preparation of forest sites for legal trade, delineation, registration, licensing, testing legality standards, COC</li> <li>• Civil society monitoring &amp; evaluation, tracking and documenting licensing process application of TLAS or TLAS</li> <li>• Forest Managemen Unit model development should be focused on KPH resources center in SE Sulawesi</li> </ul>
3	Community Foundation in 4 regions	GBP 56,818 (Sep 2009)	<ul style="list-style-type: none"> <li>• Preparing sites for legal trade, delineation, registration, licensing, testing legality standards, COC</li> <li>• Civil society monitoring &amp; evaluation, tracking and documenting licensing process application of TLAS or TLAS</li> <li>• Amend the scope of work (for some CFs)</li> </ul>

			and schedule of the project
3	Burung Indonesia	GBP 9,624 (Jan 2010)	<ul style="list-style-type: none"> <li>• No possible items or output to strengthen the output 1</li> <li>• Continued as responsible exit strategy</li> <li>• Amend the schedule of the project</li> </ul>
5	Community Foundations in 4 regions	GBR 26,180 (Sep 2009)	<ul style="list-style-type: none"> <li>• Building local independent monitoring facilities, accredited auditors for CBFM</li> <li>• Decentralize TLAS institutional arrangement e.g. for verification of community timber</li> <li>• Amend the scope of work (for some CFs) and schedule of the project</li> </ul>
6	BPKH 11 - Jogjakarta	GBP 18,006299 (Jan 2010)	<ul style="list-style-type: none"> <li>• Link spatial data sets with legality verification system digitations of RKT (BPK, FRIS).</li> <li>• Link up with industry to comply with the core business requirements and functions</li> <li>• Create a registry system in local/community forest in line with the TLAS system and a data base of small business industries</li> <li>• Amend the scope of work and schedule of the project</li> </ul>

### 3.1 Reshaping Outputs Toward Output 1

The PMU has helped MFP II2 partners elaborate the target output and achievement in line with Output 1. The discussions and negotiations mainly concerned partners implementing Outputs 2,3,5 and 6 and is reported below:

#### Output 1:

- **TELAPAK** had agreed to reshape their proposal considered the reorientation of the program direction. PMU met with Telapak Association on April 8 to discuss their involvement in implementing TLAS, and involving Civil Society Organizations (CSO's) in monitoring of implementation.
- **The Community Foundation: SSS-PUNDI-Sumatera and SCF-Sulawesi** reshaped their current programme to focus on socialization of the TLAS /TLAS to the multistakeholder forum in their regions which was facilitated by PMU in Makasar on April 7 and in Jambi on April 13, 2009. Furthermore, SSS-PUNDI will reshape their outputs to the Permenhut 38/2009 after it was officially signed by Ministry of Forestry in June 2009.

#### Output 2:

- PMU and **KARSA** agreed to reshape their work towards Output 1 on April 7, 2009 in Jogjakarta by developing a mutual agreement with Perum PERHUTANI to encourage a dispute resolution institution related to TLAS implementation in Perhutani Area in Jawa.

Furthermore KARSA will structure and test a public complaints mechanism as a component of TLAS monitoring, verification and dispute resolution.

#### **Output 3:**

- PMU helped **KOMDA PS** (Local Commission on Social Forestry) in Kendari-SE Sulawesi, on April 5 2009 to reshape their output 3 by capitalizing their work related to Output one, for example preparing sites for legal trade, delineation, registration, licensing and testing legality standards.
- PMU discussed with **Javlec** on April, 6 2009 in Jogjakarta: To strengthen the local initiatives to build the a commisiion on timber at village level in Jogjakarta and facilitated farmers groups to established business licences, certification and market access in Jogjakarta. Also Javlec is establishing a Joint Forest Management Partnership between community and Local Forest Agency in Banten and Madiun
- PMU met with **SAMANTA Foundation – Nusatenggara** on April 12-13, 2009 in Mataram : To strengthen the local initiatives to promote and draft a policy for the institution of an Forest Management Unit model in West Rinjani on 40.000 has in Lombok, West Nusatenggara. Endorsing 500 ha community forest in protected forest zone of Kapohak Penang East Sumba

#### **Output 5:**

- PMU helped Community Foundations stengthen civil society monitoring of the TLAS in regional, tracking and documenting the licencing process application of TLAS, building local independent monitoring facilities, and accredited auditors for CBFM.

#### **Output 6:**

- PMU helped **BPKH 11 Jogjakarta** on April 7, 2009 to reshape their output to link spatial data sets with legality verification system digitations of annual planning (RKT), including link up with timber industry. Further more BPKH 11 should create a registration system in local/ community forest with the TLAS system and a data base of small businesses.

In addition, there are 18 grantees in the final stages of the projects, which had been finalising their reports and received the final instalment/ payment of grant that will included in the budget allocation in AWP 2009/2010. In the other group, there are 9 projects that will continued in the AWP 2009/2010 which is divided between 8 project partners that will acomplish their projects with reshaped work programmes and 1 project partner, The Burung Indonesia which will complete their accomplishment without the reshaping their programme as part of a responsible exit strategy.

### **3.2 The Fund Support For Committed On Going Projects**

As the description above, there are two groups of commiteed projects to be covered by DFID in the AWP 2009/2010. The first group is 9 major on going projects most of whom will end in 2010 and the second group is made up of grantees in the final stages of reporting the projects on 2009. The groups are as follows:

NO	GRANTEE	COMMITMENT (GBP)
1	Group of 9 Major On Going Project	201,904
2	Group of 18 Grantee in Final Stage and Installment (last payment)	45,384
<b>TOTAL</b>		<b>247,288</b>

## CHAPTER IV THE NEW ACTIVITY OF SECOND YEAR PROGRAMME 2009/2010

This chapter describes the activities of the new logframe as proposed to the SC meeting Oktober 2009. The new logframe was developed through consultation with DFID, MoF with relevant agencies under the supervision of Dr. Hadi Daryanto, the Director General of Forest Production BPK.

The logframe consists of the Goal, Purpose with output indicator and baseline including milestone for year 2009-2012 as the new format of logframe suggested by DFID office. The logframe also includes the list of activities with indicative budget divided into a two and a half year programme.

The new logical framework was based on Indonesia's new Timber Legality Assurance System (the TLAS) and has three components: 1) Institutional strengthening; 2) Market Recognition of the Indonesian TLAS (TLAS) to gain international recognition; and 3) Review of the TLAS implementation. Some revisions were made to fulfill the measurable achievement and standard in the context of accelerating the TLAS as an instrument of good forestry governance, sustainable forest management, and as a trade agreement through a signed Voluntary Partnership Agreement (VPA).

The revisions were made at goal and purpose level followed by the output level as follows:

**Goal:** "Illegal logging reduced, and the role of sustainable forest management in poverty reduction, economic growth, and climate change adaptation and mitigation enhanced"

Replace to : "All traded Indonesian timber demonstrated legal, as a precondition for effective forest governance, sustainable forest management"

**Purpose:** "Enabling conditions for legal and institutional reform toward SFM in place by 2011, that support poverty reduction, and climate change adaptation and mitigation in the forestry sector"

Replace to : "A credible Timber Legality Assurance System (TLAS) that is recognised by the market"

**The rationale** of the changing words in Goal and Purpose and its spirits is to better express the focus of the activities to endorse and promote legal timber. This will make a significant contribution to combating illegal logging and to promoting legal timber.

(Old) **Output 1** (in previous logframe): "TLAS as instrument of good forestry governance, sustainable forest management, and trade agreement (as in VPA) is finalized" which will

be emphasized in 3 new outputs (institutional strengthening, mutual agreement of Indonesia TLAS and Review of TLAS implementation) with specific measurable indicators and milestones in new logframe as follows:

**(New)Output 1 :** Sufficient capacity to implement TLAS (Supply chain control, accreditation processing, auditing, independent auditing, independent monitoring, licensing and structuring implementation mechanism)

**Output2:** TLAS certified timber recognised in key international markets

**Outputs3:** Representative mechanism in place to review and strengthen TLAS implementation

The complete logframe, activities (more than 70 activities for year 2009-2012) is annexed below.

## **CHAPTER V**

### **GOVERNANCE, PARTNERSHIPS AND RESOURCES**

#### **5.1 Governance**

During the transition period MFP IIII will continue to follow the Standard Operating Procedures and grant delivery system already agreed. However, the new programme is now much less demand driven than the original MFP IIII logframe – grants and contracts for Outputs 1 to 3 will have to be developed to fulfill those Outputs with identified partners, whether they be civil society organisations, government bodies or private entities. Therefore MFP IIII will not be issuing any calls for proposals for either the Policy Advocacy Development or the Regional Support Development windows. The Partnership Approval Committee (PAC) will, however, still retain the function of examining the content of proposals developed and will meet regularly to review projects to be financed.

#### **5.2 Partnerships**

This programme requires close partnerships with government, CSO and the private sector as follows:

- Output 1 activities are mainly training and communication, and will be achieved in partnership with PUSDIKLAT SDM Kehutanan and EU FLEGT Support Project through grants, service contracts and purchase orders, including travel
- Output 2 activities are mainly short term consultancy and market research work financed through service contracts and grants and purchase orders including travel (for instance to attend VPA meetings)
- Output 3 activities are mainly MFP IIII facilitated processes such as the running costs of working groups, but may include grants and service contracts for studies, etc. Some of these activities will be done in partnership with Transparency International Indonesia (TI-I) who are running the working group on Independent Forest Monitoring, and other Civil Society Organisations.

It is proposed that the main government counterpart executing agency be the Directorate General of Forest Production (BPK).

#### **5.3 Resources**

The DFID budget for this financial year (April 2009 to March 2010) is GBP732,703, and is broken down in the following two tables.

The majority of the 2009/10 budget has been allocated to getting the TLAS operational (Output 1) and helping set up the performance improvement mechanism (Output 3). Work on market recognition (Output 2), which includes support to VPA negotiations, is not planned to start until 2010. However MFP IIII facilitators and secondees will be supporting the three (3) Ministry TLAS Working Groups now running and the Facilitation budget line (GBP119,300) is available for ad hoc work arising from the VPA negotiations.

The EU FLEGT Support Project is a key funding partner and has already co-financed a number of workshops with MFP III. It is proposed to maintain a regular, probably monthly, planning meeting with the Project Director and Team Leader to better co-ordinate our respective inputs into the TLAS Capacity Building work.

The resources of fund from DFID budget as indicated and breakdown in Budget Allocation 2009-2012 below (Table 1 & 2) and other possible source of fund will be available as matched funding from the partnership as mentioned above. In addition other donors may get involved in financing work to support the TLAS. Again, good coordination and regular dialogue with such potential partners will be valuable.

**Table 1: INDICATIVE BUDGET ALLOCATION 2009-2012  
FOREST GOVERNANCE AND MULTISTAKEHOLDER FORESTRY PROGRAM**

No	Period		
	2009/2010	2010/2011	2011/2012
<b>A. Program Cost</b>			
1	Grant Making		
	Committed <sup>1</sup>	247,288	
	Planned <sup>2</sup>	125,294	1,070,588
2	Facilitation	119,300	261,508
3	Program Personnel	131,933	145,126
	Sub Total	<b>623,815</b>	<b>1,477,223</b>
<b>B. Operational Cost</b>		<b>108,888</b>	<b>119,777</b>
<b>TOTAL BUDGET</b>		<b>732,703</b>	<b>1,597,000</b>
			<b>1,543,000</b>

Notes for the table:

1. "Grant Making" is split into two:
  - Remaining projects from the old log frame and AWP that will be completed this financial year
  - Activities planned under the new log frame and current AWP 2009/10
2. "Facilitation" consists of the cost of strategic planning, meetings and conferences, short-term consultancy, monitoring and evaluation and documentation and evaluation
3. "Program Personnel" consists of Programme Facilitators, Co-Director Dephut, MoF Secondees and the local FLEGT VPA consultant
4. "Operational Cost" is split into two; Programme Operation which covers office, IT, communication and local transport costs and Personnel Management which covers the Programme Director, Senior Finance Management (part-time 30%), administration staff and other support for support staff.

**Table 2 : Indicative Budget allocation of new spending based on the new log frame (GBP125,294)**

No	Output	Milestone 1		Milestone 2		Milestone 3	
		Rupiah (RP)	GBP (£)	Rupiah (RP)	GBP (£)	Rupiah (RP)	GBP (£)
1	Output 1 : Sufficient capacity to implement TLAS (Supply chain control, accreditation processing, auditing, independent monitoring, licensing and structuring implementation mechanism)	1,605,000,000	94,412	6,650,000,000	391,176	6,200,000,000	364,706
2	Output 2 : TLAS certified timber recognised in key international markets	20,000,000	1,176	4,750,000,000	279,412	4,000,000,000	235,294
3	Output 3 : Representative mechanism in place to review and strengthen TLAS implementation	505,000,000	29,706	6,800,000,000	400,000	6,800,000,000	400,000
4	Facilitation	2,028,100,000	119,300	4,445,642,008	261,508	4,277,318,631	251,607
5	Program Personnel	2,242,859,195	131,933	2,467,145,114	145,126	2,713,859,625	159,639
6	Operational Cost	1,851,096,000	108,888	2,036,205,600	119,777	2,239,826,160	131,754
<b>Total Cost</b>		<b>8,252,055,195</b>	<b>485,415</b>	<b>27,148,992,722</b>	<b>1,597,000</b>	<b>26,231,004,416</b>	<b>1,543,000</b>

Considerable flexibility will be required to make this support to the TLAS effective. Whilst the Outputs and their Milestones provide a solid framework for planning and reporting, the activities necessary to achieve those outputs are likely to be subject to modification and should therefore not be considered final. Likewise the budgets for each activity should be considered indicative and subject to modification, within the limitations of the overall total (GBP732,703)

## Lampiran 2. *The Logical Framework*

GOAL	Indicator	Baseline 2009	Milestone 1	Milestone 2	Milestone 3	Target (date)
All traded Indonesian timber demonstrated legal, as a precondition for effective forest governance, sustainable forest management	Percentage of legally produced timber as proportion of total production	Only 50% of reported timber production ( <b>xxx m3</b> ) can be accounted for as legal				[100%] of reported timber production accounted for as legally produced
		<b>Source</b>				
	Ministry of Forestry data					
	Availability of TLAS certified timber	Volume of TLAS-certified timber produced: <b>0</b> m3				Volume of TLAS-certified timber produced: <b>zzz</b> m3
		<b>Source</b>				
	Ministry of Forestry data					
	Availability of information on location, operation and production of timber harvest rights and processing facilities.	Available information on timber production not complete, timely or consistent.				Information on timber production in public domain complete, consistent and readily available
		<b>Source</b>				
	Ministry of Forestry data					
PURPOSE	Indicator	Baseline	Milestone 2009/2010	Milestone 2010/2011	Milestone 2011/2012	Target [31 March 2011]
A credible Timber Legality Assurance System (TLAS) that is recognised by the market	Proportion of objections concerning TLAS operation by industry and civil society groups resolved.	6 major concerns raised by national CSOs concerning TLAS design				Broad agreement by national CSOs and industry that TLAS system, including complaint resolution process, is working
		<b>Source</b>				
	Letters from CSOs and industry groups; workshop proceedings, press statements					
	Recognition of TLAS certified timber in key export markets	No TLAS timber - no recognition				EU recognition of TLAS-certified products, indicated by initiation of formal customs control of trade.
<b>Source</b>						
Independent assessments, VPA and other import licenses, minutes of meetings, market reports						
INPUTS (£)	DFID (£)	Govt (£)	Other (£)	Total (£)		DFID SHARE (%)
	2,500,000					

INPUTS (HR)	DFID (FTEs)						
OUTPUT 1	Indicator	Baseline	Milestone 2009/2010	Milestone 2010/2011	Milestone 2011/2012	Target (31 March 2012)	
Sufficient capacity to implement TLAS (Supply chain control, accreditation processing, auditing, independent monitoring, licensing and structuring implementation mechanism)	1.1 Number of LP&VI auditors trained and certified; Number of LP&VI accredited by KAN.	150 auditors LEI registered 15 LPs MoF accredited (interim 1-year accreditation by KAN + BRIK for CoC verification)	200 TLAS auditors certified 15 LP&VIs KAN accredited	350 TLAS auditors certified 25 LP&VIs KAN accredited	500 TLAS auditors certified 50 LP&VIs KAN accredited	500 TLAS auditors certified 50 LP&VIs KAN accredited	
	<b>Source</b>						
	Regulation, Government gazettes, MoFor website, Minutes of meetings						
		Indicator	Baseline	Milestone 2009/2010	Milestone 2010/2011	Milestone 2011/2012	Target (31 March 2012)
		1.2. Percentage of timber production and processing units, including small forest enterprises, trained to implement TLAS; percentage of trained enterprises certified.	Some capacity within larger enterprises based on private certification and LPs. Limited capacity in small enterprises	Detailed programmes developed to address enterprises' capability to implement TLAS.	<b>National target : 30%</b> of small timber production and processing units and <b>50%</b> medium and large enterprises capable of implementing TLAS. National target : <b>30%</b> of trained enterprises TLAS certified. 30% of national target facilitated by MFP II	<b>National target : 60%</b> of small timber production and processing units and <b>100%</b> medium and large enterprises capable of implementing TLAS. National target: <b>90%</b> of trained enterprises TLAS certified. 30% of national target facilitated by MFP II	<b>National target: 60%</b> of small timber production and processing units and <b>100%</b> medium and large enterprises capable of implementing TLAS. National target : <b>90%</b> of trained enterprises TLAS certified. 30% of national target facilitated by MFP II
	<b>Source</b>						
	Independent assessment and TLAS certificates from accredited LP&VIs						
		Indicator	Baseline	Milestone 2009/2010	Milestone 2010/2011	Milestone 2011/2012	Target (31 March 2012)
		1.3. Capacity of other key actors to fulfil their specified roles in implementing TLAS.	TLAS regulation (Permenhut 38/09) has just been issued in June 2009. Roles of some agencies specified	Roles of all relevant bodies in Permenhut 38/2009 (TLAS) operation clearly specified. Personnel in central and <b>5</b> local/regional bodies (forestry, custom, independent monitors, etc) understand, resourced and are fulfilling their roles.	Personnel in central and <b>13</b> local/regional bodies (forestry, customs, independent monitors, etc) understand, resourced and are fulfilling their roles in TLAS operation.	Personnel in central and <b>27</b> local/regional bodies (forestry, customs, independent monitors etc) understand, resourced and are fulfilling their roles in TLAS operation.	Personnel in central and <b>27</b> local/regional bodies (forestry, customs, independent monitors etc) understand, resourced and are fulfilling their roles in TLAS operation.
	<b>Source</b>						
Training programme reports, monitoring of TLAS implementation, complaints about TLAS implementation							

	Indicator	Baseline	Milestone 2009/2010	Milestone 2010/2011	Milestone 2011/2012	Target (31 March 2012)
	1.4 Awareness of key interest groups on aims and operation of TLAS	Good awareness of TLAS amongst key CSOs at central level. Limited awareness amongst local/regional interest groups.	Socialisation strategy developed. Interest groups in 5 provincial centers and <b>10</b> district centers have good understanding of TLAS aims and operation	Interest groups in 13 provincial centers and 40 district centers have good understanding of TLAS aims and operation	Interest groups in 27 provincial centers and 81 district centers have good understanding of TLAS aims and operation	Interest groups in <b>27</b> provincial centers and <b>81</b> district centers have good understanding of TLAS aims and operation
		<b>Source</b>				
		Outreach (socialisation) programme reports; comments from interest groups, surveys				
<b>IMPACT WEIGHTING</b>						
<b>INPUTS (£)</b>	<b>DFID (£)</b>	<b>Govt (£)</b>	<b>Other (£)</b>	<b>Total (£)</b>		<b>DFID SHARE (%)</b>
	1,750,000					
<b>INPUTS (HR)</b>	<b>DFID (FTEs)</b>					
<b>OUTPUT 2</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Milestone 2009/2010</b>	<b>Milestone 2010/2011</b>	<b>Milestone 2011/2012</b>	<b>Target (31 March 2012)</b>
<b>TLAS certified timber recognised in key international markets</b>	2.1 Availability and acceptability of FLEGT-licensed timber in EU market	Joint expert meeting identifies gaps between TLAS and EU standards	Joint EU-Indonesia working groups agree action plan to address gaps through DFID & MFP II facilitation	Through DFID & MFP II facilitation, VPA negotiations concluded with TLAS as Annex and action plan implementation started. Active promotion of TLAS timber in EU market communications initiated	Through DFID & MFP II facilitation, FLEGT licensing system in operational. FLEGT-licensed timber accepted by Due Diligence Regulation, Public Procurement Policies of 4 EU member state and 4 national timber trade associations	Through DFID & MFP II facilitation, FLEGT licensing system in operational. FLEGT-licensed timber accepted by Due Diligence Regulation, Public Procurement Policies of 4 EU member state and 4 national timber trade associations
		<b>Source</b>				
		Minutes of negotiations, negotiating text, action plan, quarterly progress reports, EU green procurement policies				
	<b>Indicator</b>	<b>Baseline</b>	<b>Milestone 2009/2010</b>	<b>Milestone 2010/2011</b>	<b>Milestone 2011/2012</b>	<b>Target (31 March 2012)</b>

	2.2 Acceptability of TLAS-certified timber in key non-EU markets	No TLAS certified timber produced. Relevant bilateral arrangements in place with US, JP, CN, AU. No explicit recognition of TLAS.	TORs on current market demands for legal timber by product segment analyses in key markets (US, AU, JP, CN, KR, TW) and promotion strategy prepared.	Current market demands for legal timber by product segment analysed in key markets (US, AU, JP, CN, KR, TW) and promotion strategy developed. Strategies to gain recognition as evidence of US imports and other trade partners developed through MFP II facilitation	TLAS certificates recognised as evidence of legality for US imports and 2 other key trade partners. Major corporations in 3 key trade partners specify TLAS in procurement policies Trade associations in 3 key trade partners promote TLAS	TLAS certificates are recognised as evidence of legality for US imports with 3 other key trade partners. Major corporations in 3 key trade partners specify TLAS in procurement policies Trade associations in 3 key trade partners promote TLAS
	<b>Source</b>					
	Minutes of negotiations with other buyers, market reports, quarterly progress reports					
<b>IMPACT WEIGHTING</b>						
<b>INPUTS (£)</b>	<b>DFID (£)</b>	<b>Govt (£)</b>	<b>Other (£)</b>	<b>Total (£)</b>		<b>DFID SHARE (%)</b>
<b>INPUTS (HR)</b>	<b>DFID (FTEs)</b>					
<b>OUTPUT 3</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Milestone 2009/2010</b>	<b>Milestone 2010/2011</b>	<b>Milestone 2011/2012</b>	<b>Target (31 March 2012)</b>
<b>Representative mechanism in place to review and strengthen TLAS implementation</b>	3.1. Proportion of MoFr monitoring reports cross checked for validity by TLAS auditors.	Protocols to cross-check MoFr timber-administration data not yet in place	Protocols for cross-checking of MoFr timber administration data by TLAS auditors in place.	MoFr data on timber administration cross-checked for validity in 50% of cases	MoFr data on timber administration cross-checked for validity in 100% of cases	MoFr data on timber administration cross-checked for validity in 100% of cases
		<b>Source</b>				
		Government regulation, M&E surveys minutes, quarterly reports, minutes public consultations and minutes of meetings				
	<b>Indicator</b>	<b>Baseline</b>	<b>Milestone 2009/2010</b>	<b>Milestone 2010/2011</b>	<b>Milestone 2011/2012</b>	<b>Target (31 March 2012)</b>
	3.2. Percentage of complaints successfully resolved by Permenhut 38/2009 dispute resolution mechanism	Permenhut 38/2009 not in operation - no complaints received.	Permenhut 38/2009 dispute resolution mechanism drafted and tested. <b>20%</b> of complaints received are analyzed and resolved and results communicated to complainants	<b>40%</b> of complaints identified, analyzed, resolved and results communicated to complainants. Review of complaints mechanism completed.	Permenhut 38/2009 dispute resolution mechanism refined. <b>All</b> complaints received identified, analyzed, resolved and results communicated to complainants and publicly available	Permenhut 38/2009 dispute resolution mechanism refined. <b>All</b> complaints received identified, analyzed, resolved and results communicated to complainants and publicly available
		<b>Source</b>				

		LPVI , IFM, & KAN reports,				
	<b>Indicator</b>	<b>Baseline</b>	<b>Milestone 2009/2010</b>	<b>Milestone 2010/2011</b>	<b>Milestone 2011/2012</b>	<b>Target (31 March 2012)</b>
	3.3 Independent performance review process to improve standards and implementation of Permenhut 38/2009 developed, implemented and results publicly accessible.	Performance review of TLAS not specified.	Multi-stakeholder performance review and system adaptation mechanism established.	First comprehensive review of Permenhut 38/2009 performed and need for adaptation to improve standards and implementation identified. Public summary report released.	Actions taken on first review recommendations. Second review of Permenhut 38/2009 performed and need for adaptation to improve standards and implementation identified. Public summary report released.	Actions taken on first review recommendations. Second review of Permenhut 38/2009 performed and need for adaptation to improve standards and implementation identified. Public summary report released.
		<b>Source</b>				
		Programme M&E surveys; independent monitoring reports; minutes of LPVI and KAN dispute resolution sessions; press				
<b>IMPACT WEIGHTING</b>	30%					
<b>INPUTS (£)</b>	<b>DFID (£)</b>	<b>Govt (£)</b>	<b>Other (£)</b>	<b>Total (£)</b>		<b>DFID SHARE (%)</b>
<b>INPUTS (HR)</b>	<b>DFID (FTEs)</b>					

### Lampiran 3. *The List of Activities*

FOREST GOVERNANCE AND MULTISTAKEHOLDER FORESTRY PROGRAMME				
ACTIVITIES OF 2009/2010 TO 2011/2012				
Output - indicator output	Baseline	Milestone1	Milestone 2	Milestone 3
<b>1. Sufficient capacity to implement TLAS (Supply chain control, accreditation processing, auditing, independent monitoring, licensing and structuring implementation mechanism)</b>				
1.1 Number of SLVK auditors trained and certified; number of LP&VI accredited by KAN	150 auditors LEI registered 15 LPIs MoF accredited (interim 1-year accreditation by KAN + BRIK for CoC verification)	<b>200</b> TLAS auditors certified <b>15</b> LP&VIs KAN accredited	<b>350</b> TLAS auditors certified <b>25</b> LP&VIs KAN accredited	500 TLAS auditors certified 50 LP&VIs KAN accredited
<b>ACTIVITY 1.1.1</b>				
Enhancing training capacity		Facilitating Training of trainers and training of facilitators	Facilitating Training of trainers and training of facilitators	Facilitating Training of trainers and training of facilitators
<b>ACTIVITY 1.1.2</b>				
Facilitating training of TLAS auditors		Refreshment training to 150 LEI registered auditors; Competence training for 50 new TLAS- LPI auditors; KAN to recognise 15 LP&VI	Competence training for 150 new TLAS auditors in the regions; KAN to accredit 25 LP&VI	Competence training for 150 new TLAS auditors in the regions; KAN to accredit 25 LP&VI
Output - indicator output	Baseline	Milestone1	Milestone 2	Milestone 3
1.2. Percentage of timber production and processing units, including small forest enterprises, trained to implement TLAS; percentage of trained enterprises certified	Some capacity within larger enterprises based on private certification and LPIs. Limited capacity in small enterprises	Detailed programmes developed to address enterprises' capability to implement TLAS.	<b>National target: 30%</b> of small timber production and processing units and <b>50%</b> medium and large enterprises capable of implementing TLAS. National target: <b>30%</b> of trained enterprises TLAS certified. 30% of national target	<b>National target: 60%</b> of small timber production and processing units and <b>100%</b> medium and large enterprises capable of implementing TLAS. National target: <b>90%</b> of trained enterprises TLAS certified. 30% of national target
<b>ACTIVITY 1.2.1</b>				
TLAS Training need assessment for timber production and processing units		Facilitating the formulation of training action plan; Facilitating TNA		

<b>ACTIVITY 1.2.2</b>				
TLAS training for timber production and processing units		Facilitating TLAS training for 30 timber production and processing units	Facilitating TLAS training for 30 % of national target of timber production and processing units	Facilitating TLAS training for 30 % of national target of timber production and processing units
<b>ACTIVITY 1.2.3</b>				
Training evaluation		Designing training evaluation modules	Conducting training evaluation for 30 timber production and processing units	Conducting training evaluation for 100 timber production and processing units; Reviewing training design and curricula
<b>ACTIVITY 1.2.4</b>				
Facilitating the development of small timber production/enterprises			Facilitating rural people to obtain forest management (HTR, HKM) permits.	Facilitating rural people to obtain forest management (HTR, HKM) permits.
		0	750,000,000	1,250,000,000
<b>Output - indicator output</b>	<b>Baseline</b>	<b>Milestone1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>
1.3. Capacity of other key actors to fulfil their specified roles in implementing TLAS.	TLAS regulation (Permenhut 38/09) issued in June 2009. Roles of some agencies specified	Roles of all relevant bodies in Permenhut 38/2009 (TLAS) operation clearly specified. Personnel in central and 5 local/regional bodies (forestry, custom, independent monitors, etc) understand, resourced and are fulfilling their roles.	Personnel in central and 15 local/regional bodies (forestry, customs, independent monitors, etc) understand, resourced and are fulfilling their roles in TLAS operation.	Personnel in central and 33 local/regional bodies (forestry, customs, independent monitors etc) understand, resourced and are fulfilling their roles in TLAS operation.
<b>ACTIVITY 1.3.1</b>				
Outreach and dissemination of Permenhut 38/2009 at provincial level		Facilitating dissemination of roles of relevant bodies in Permenhut 38/2009 implementation in 5 provinces	Facilitating dissemination of roles of relevant bodies in Permenhut 38/2009 implementation in 10 provinces	Facilitating dissemination of roles of relevant bodies in Permenhut 38/2009 implementation in 18 provinces
<b>ACTIVITY 1.3.2</b>				
Cross sector outreach and dissemination of Permenhut 38/2009 at central government level			Facilitating dissemination of roles of relevant bodies in Permenhut 38/2009 implementation at national level	
<b>ACTIVITY 1.3.3</b>				

Information centre of Permenhut 38/2009 implementation			Facilitating stakeholders to initiate of "information centre" on Permenhut 38/2009	Facilitating the operation of information centre
<b>ACTIVITY 1.3.4</b>				
Special outreach and dissemination for law enforcement agencies			Facilitating dissemination of roles of relevant bodies in Permenhut 38/2009 for law enforcement agencies	
<b>Output - indicator output</b>	<b>Baseline</b>	<b>Milestone1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>
1.4 Awareness of key interest groups on aims and operation of TLAS	Good awareness of TLAS amongst key Civil Society Organization's at central level. Limited awareness amongst local/regional interest groups.	<i>Socialisation strategy developed. Interest groups in 5 provincial centers and 10 district centers have good understanding of TLAS aims and operation</i>	Interest groups in 13 provincial centers and 40 district centers have good understanding of TLAS aims and operation	Interest groups in 27 provincial centers and 81 district centers have good understanding of TLAS aims and operation
<b>ACTIVITY 1.4.1</b>				
Pooling knowledge and leadership of key CSOs at central level		Facilitating meetings among key CSOs at central level	Facilitating CSOs in developing lessons learned mechanism with respect to implementation of Permenhut 38/2009	
<b>ACTIVITY 1.4.2</b>				
Facilitating CSOs leaderships to design socialization strategies to be adopted in the regions		Facilitating CSOs workshops in designing socialisation strategies	Channelling the socialisation strategies into regional CSO networks	
<b>ACTIVITY 1.4.3</b>				
Facilitating the regional CSO networks to organise the implementation of socialisation strategies		Facilitating preparation of socialisation plan for CSOs	Facilitating the implementation of socialisation strategies in 13 provinces and 40 districts	Facilitating the implementation of socialisation strategies in 33 provinces and 81 districts. Evaluation of socialization impacts
<b>Output - indicator output</b>	<b>Baseline</b>	<b>Milestone1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>
<b>TLAS certified timber recognised in key international markets</b>				

2.1 Availability and acceptability of FLEGT-licensed timber in EU market	Joint expert meeting identifies gaps between TLAS and EU standards	Joint EU-Indonesia working groups agree action plan to address gaps through DFID & MFP II facilitation	Through DFID & MFP II facilitation, VPA negotiations concluded with TLAS as Annex and action plan implementation started. Active promotion of TLAS timber in EU market communications initiated	Through DFID & MFP II facilitation, FLEGT licensing system in operational. FLEGT-licensed timber accepted by Due Diligence Regulation, Public Procurement Policies of 4 EU member state and 4 national timber trade associations
<b>ACTIVITY 2.1.1</b>				
Facilitating joint expert group meeting		Facilitating joint expert meeting. Participating in the relevant joint expert, presentations and discussions		
<b>ACTIVITY 2.1.2</b>				
Facilitating negotiation teams		Observing the result and recommendations of joint experts. Facilitating the preparation of Action Plan based on these recommendation and provide support to that Action Plan	Facilitating and participating in the negotiations (working group/SOM). Observing the progress of negotiations and facilitating any development until the negotiation concluded	
<b>ACTIVITY 2.1.3</b>				
Facilitating promotion of TLAS certificates			Preparation for the (joint) promotional programme of TLAS timber in EU market. Implementation of the (joint) promotion of TLAS timber in EU market	Continuation of implementation of the (joint) promotion of TLAS timber in EU market
<b>Output - indicator output</b>	<b>Baseline</b>	<b>Milestone1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>

2.2 Acceptability of TLAS-certified timber in key non-EU markets	No TLAS certified timber produced. Relevant bilateral arrangements in place with US, JP, CN, AU. No explicit recognition of TLAS.	TORs on current market demands for legal timber by product segment analyses in key markets (US, AU, JP, CN, KR, TW) and promotion strategy prepared.	Current market demands for legal timber by product segment analysed in key markets (US, AU, JP, CN, KR, TW) and promotion strategy developed. Strategies to gain recognition as evidence of US imports and other trade partners	TLAS certificates recognised as evidence of legality for US imports and 2 other key trade partners. Major corporations in 3 key trade partners specify TLAS in procurement policies. Trade associations in 3 key trade partners promote TLAS
<b>ACTIVITY 2.2.1</b>				
Facilitating the preparation works to promote TLAS to obtain the acceptability		Developing TORs and finding possible candidates to carry out study on current market demands for legal timber in key markets	Facilitating the study on current market demands for legal timber markets.	
<b>ACTIVITY 2.2.2</b>				
Facilitating promotion of TLAS certified timber in Non EU markets			Facilitating the development of promotional strategies to gain recognition as evidence of US imports and other trade partners	Facilitating the promotion of TLAS certificate timber to gain recognition: in US and other non EU key markets, major corporations, trade associations
<b>Output - indicator output</b>	<b>Baseline</b>	<b>Milestone1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>
<b>Representative mechanism in place to review and strengthen TLAS implementation</b>				
3.1. Proportion of MoFor monitoring reports cross checked for validity by TLAS auditors.	Protocols to cross-check MoFr timber-administration data not yet in place	Protocols for cross-checking of MoFr timber administration data by TLAS auditors in place.	MoFr data on timber administration cross-checked for validity in 50% of cases	MoFr data on timber administration cross-checked for validity in 100% of cases
<b>ACTIVITY 3.1.1</b>				

Facilitating the establishment of multistakeholder WG on Monitoring and Evaluation		Facilitating the drafting of protocols on data management mechanism and transparency for the purpose of cross checks.	Facilitating establishment / improvement of data system on TLAS implementation. Facilitating the implementation of data management mechanism and transparency Facilitating monitoring of validation.	Evaluating of data systems management and the utilization of data. Facilitating improvement of data systems management
<b>ACTIVITY 3.1.2</b>				
Disseminating the results of the WG		Facilitating the protocol of dissemination to increase transparency	Facilitating the lesson learned in data management mechanism and transparency	Facilitating the evaluation of implementation of dissemination
<b>Output - indicator output</b>	<b>Baseline</b>	<b>Milestone1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>
3.2.Percentage of complaints successfully resolved by Permenhut 38/2009 dispute resolution mechanism	Permenhut 38/2009 not in operation - no complaints received.	Permenhut 38/2009 dispute resolution mechanism drafted and tested. 20% of complaints received are analyzed and resolved and results communicated to complainants	40% of complaints identified, analyzed, resolved and results communicated to complainants. Review of complaints mechanism completed.	Permenhut 38/2009 dispute resolution mechanism refined. All complaints received identified, analyzed, resolved and results communicated to complainants and publicly available
<b>ACTIVITY 3.2.1</b>				
Facilitating the initiation of dispute resolution institutional arrangement		Facilitating the drafting and testing of dispute resolution mechanism	Facilitating the analysis of complaints Facilitating communication	
<b>ACTIVITY 3.2.2</b>				
Facilitating the establishment of the dispute resolution institutional arrangement		Facilitating institutional management support for dispute resolution institutional arrangement	Facilitating and communicating the lessons learned and knowledge management to the public	Facilitating review and improvement of dispute resolution institutional setting. Facilitating the establishment of information centre for dispute resolution
<b>Output - indicator output</b>	<b>Baseline</b>	<b>Milestone1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>
3.3 Independent performance review process to improve standards and implementation of Permenhut 38/2009 developed, implemented and results publicly accessible.	Performance review of TLAS not specified.	Multi-stakeholder performance review and system adaptation mechanism established.	First comprehensive review of Permenhut 38/2009 performed and need for adaptation to improve standards and implementation identified. Public summary report	Actions taken on first review recommendations. Second review of Permenhut 38/2009 performed and need for adaptation to improve standards and implementation

			released.	identified. Public summary report released.
<b>ACTIVITY 3.3.1</b>				
Enhancing the capacity of independent monitoring institutions		Facilitating the preparation of training curriculum for Independent Monitoring Personnel (IMP)	Facilitating training for independent monitoring personnel (IMP)	Facilitation of evaluation on capacity of independent monitoring. Facilitating the revision of training curriculum and modules for IFP
		50,000,000	750,000,000	1,000,000,000
<b>ACTIVITY 3.3.2</b>				
Facilitating the establishment of a multistakeholder network to evaluate the implementation of Permenhut 38/2009 and other related regulations		Facilitating the establishment of multistakeholder networks at national and province levels. Facilitating the working group meetings to establish review system	Facilitating first comprehensive evaluation of Permenhut 38/2009.	Facilitating second comprehensive evaluation of Permenhut 38/2009
<b>ACTIVITY 3.3.3</b>				
Diseminating the result of review/ evaluation			Facilitating the dissemination of the review / evaluation result to obtain feed back on the improved standards and implementations	Facilitating the dissemination of the review / evaluation result to obtain feed back for further improvement on standards and implementations
<b>ACTIVITY 3.3.4</b>				
Supporting other activities relevant to TLAS		TBA	TBA	TBA















