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**AN ASSESSMENT OF THE USAID NATURAL RESOURCES MANAGEMENT
PROGRAM IN INDONESIA:
RECOMMENDATIONS FOR THE FUTURE**

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EXECUTIVE SUMMARY

Political disputes and socioeconomic problems have plagued Indonesia since 1997. The reform agenda is not progressing as smoothly or as quickly as hoped following the first democratic election in 1999. A mid-course adjustment was made to the USAID program in 1999 to accommodate new directions (e.g., the push toward decentralization), but given on-going changes in Indonesia, USAID Indonesia requested an assessment of its program in order to ensure that its current NRM programmatic approaches help achieve its NRM strategic goals.

The NRM assessment team was requested to: 1) identify enabling conditions for improved natural resource governance in Indonesia under the presently established Mission Country Strategy, 2) make recommendations on how the USAID Mission can strategically promote these conditions, 3) document achievements to date and identify significant problems in implementation - - lessons learned, 4) identify areas, mechanisms, and protocols where project inputs in the future can be optimized in achieving the Mission's new strategy, e.g. incentives for collaboration among Strategic Objective Teams in the Mission working in similar sites, and 5) identify possibilities for coordination and collaboration with other donors under the new NRM strategy. NRM gender issues were also examined.

Enabling Conditions Necessary for Improved Natural Resource Governance:

The success of the Mission's efforts to improve natural resource governance hinges on the establishment of enabling conditions. Crucial ingredients include restoration of the rule of law, transparency, public accountability, and informed community participation.

NR access rights are becoming better understood, but concomitant responsibilities and respect for other's rights are often lacking. Traditional information dissemination mechanisms are poorly equipped to address these issues. Awareness of NRM and conservation issues is emerging, but concern is low, unless there is direct relevance.

Appropriate NRM is likely to decline with decentralization. There is little district level capacity to deal with complex environmental problems, natural resource use policy, or the technical aspects of natural resource governance. Most local NGOs, although highly motivated, have little or no experience or background in environmental management, and hence cannot fill the gap created by the lack of expertise at the district government.

Recommendations on how the USAID Mission can strategically promote these conditions:

Recommendations include:

- a) Support efforts to increase enforcement of laws and regulations, transparency, public accountability, and informed community participation.
- b) Increase the strength and capability of the media to inform the public.
- c) Conduct national campaigns aimed at changing attitudes and behavior; consider a specific campaign targeting individuals from the enforcement and legal sectors of society.
- d) Increase the capacity of GOI to deal with technical and policy issues, draft appropriate laws and regulations, and facilitate definition of GOI role and responsibilities.
- e) Support efforts to clarify and strengthen the legal framework at the national, provincial, and district level. Promote consideration of common or "adat" law and support the design of village ordinances within a larger legal and ecological framework.
- f) Increase local retention of profits through a variety of financial mechanisms.
- g) Promote the incorporation of appropriate conflict avoidance, management and resolution strategies into natural resource governance (policies, programs, and projects).

- h) Promote finalization of agreement on dispute resolution mechanisms prior to beginning activities that may lead to conflict (e.g., mapping).
- i) Support the provision of conflict resolution training for local government and non-government agencies. This should be conducted in collaboration with other SOTs as well as with other donors. Institutionalizing conflict management mechanisms should be considered as priority.

Document achievements and identify significant problems in implementation - - lessons learned: NRM II activities directly or indirectly affect almost every potential threat identified to sustainable NR use and the environment (see Threats table). At the national and regional levels, NRM II has succeeded in encouraging strategic stakeholders to promote new roles in the decentralization of natural resources and the development of a NRM model. Unfortunately, these new roles are restricted to a limited number of stakeholders and there has been little emphasis on inherent responsibilities.

EPIQ has facilitated the development of public consultation mechanisms with BAPPENAS and local government in East Kalimantan. Some NGOs are notably stronger due to interventions by BSP Kemala and EPIQ. Increased NGO strength and public consultation, however, have had little impact on natural resource management policy, beyond very specific local improvements.

CRMP has provided significant support to DKP in helping them develop and promote a new coastal law. There is some concern that without “financing”, other methods of promotion and persuasion will be needed to get the coastal law passed quickly.

NRM II has achieved some significant successes in coastal management, including acceptance of a Bunaken Marine Park zonation strategy and significant progress towards an integrated CMZ management strategy in Balikpapan. Other successful outcomes include community awareness of the needs to manage resources, adoption of rules to stop fishing within a community reserve, and willingness to participate in resource monitoring are evident. However, NRM II partners are not always working together effectively towards a common goal of better coastal management. Design and implementation flaws were observed at CRMP field sites in N. Sulawesi and Balikpapan. These included reliance on cash and non-conservation development aid as an entrée to villages (non-sustainable), focus on “key” stakeholders as opposed to all stakeholders, insufficient attention to the wider legal framework that provides the context for village regulations and the on-going legal disputes concerning the validity of village regulations, project-funded wells and latrines placed in close proximity violating USAID regulations, and lack of appropriate awareness materials (e.g., paucity of materials provided by CRMP, and awareness materials provided written above average reading level in village).

EPIQ has conducted significant forestry policy work recently in resource valuation, protected area financing, and timber certification. These policy documents have been greatly appreciated by the wider donor community. However, they have had less value to GOI senior staff that rely more on oral presentations and short briefings. The focus on certification has had little impact, primarily due to the fact that concessions can not meet certification requirements even if they wish to do so, given the current situation. In addition, as little timber currently reaches eco-sensitive markets, certification will probably not have great impact in the foreseeable future.

NRM II has provided high quality maps and technical assistance on fire fighting. Indonesia’s forests continue to be at high risk, however, from large-scale fires due to degradation, continued conversion to plantations, and the threat of arson.

NRM II activities have had little impact on the widespread illegal activities degrading terrestrial parks. Marine park interventions by NRM II have been more successful, primarily because interventions have directly benefited local communities (i.e., fish sanctuaries increase the adjacent catch).

NRM II efforts have laid the groundwork for effective planning in some districts. Conflicting efforts by partners have led to some confusion, particularly in the area of community mapping. The presence of administrative boundaries on maps has led to spurious claims and increased conflicts between communities in some instances. The current emphasis on a bottom-up approach in determining land use plans will lead to increased forest fragmentation.

Identify areas, mechanisms, and protocols where project inputs in the future can be optimized in achieving the Mission's new strategy:

- a) Establish a small-grants program tied to capacity building. Tie grant receipt to participation in an on-going support program, with grant monies delivered in tranches contingent upon participation and completion of milestones. Assign a mentor to East Kalimantan and North Sulawesi. Mentor second tier provinces from Jakarta.
- b) Consider folding all NRM II activities (marine and terrestrial) into one umbrella project.
- c) Strengthen NRM II and other SOT's regional presence – consider a “one stop shopping” model perhaps associated with university, that provides technical and organizational management assistance.
- d) Provide universal support services, e.g., training, community mapping, reforestation, and awareness, through a competitive grants program for large NGOs or through contracts (see Annex E). Consider managing the NRM program through an IQC and “purchase” relevant expertise needed for the program from members of the IQC consortium.
- e) Consider focusing more direct resources on higher ranked threats, such as mariculture, agricultural expansion, and plantations.
- f) Increase coordination among partners and between SOTs through joint workplanning, budgetary set-asides for shared activities, indicators in performance reviews, and assigning responsibility for coordination to specified individuals.

Identify possibilities for coordination and collaboration with other donors under the new NRM strategy:

There are possibilities for coordination and collaboration with other donors in almost every sector, cross-cutting issue, and geographic location. Both bi-lateral and multi-lateral donors indicated their willingness to cooperate and coordinate with NRM II in order to increase effectiveness. NRM II's strategies, activities, and geographic foci, however, are not well understood. Recommendations include:

- a) Increase understanding of NRM II's strategies, role of partners, activities, and geographic foci through both formal and informal means of communication.
- b) Help establish protocols for cooperation and coordination among the donor community.
- c) Establish and participate in a cross-sectoral donor's forum.

NRM gender issues: Gender issues are not well integrated or addressed by the majority of NRM II activities, although there has been a start. Individuals within partner organizations vary in their sensitivity and awareness of issues. As gender discrimination is institutionalized within Indonesia (e.g., religious and societal customs, the legal system), it is extremely difficult for NRM II to have a direct impact. Recommendations include:

- a) Training on gender issues for all staff of partner organizations.
- b) Incorporate gender issues into activity design.
- c) Promote appropriate behavior models.

LIST OF ACRONYMS

ADB	Asian Development Bank
APKSA	East Kalimantan Alliance for Natural Resource Policy Reform
ASEAN	Association of South East Asian Nations
AusAID	Australian Agency for International Development
BAPPENAS	Badan Perencanaan Pembangunan Nasional (National Development Planning Board)
BAPPEDA	Badan Perencanaan Pembangunan Daerah (Provincial (Tingkat I) and District (Tingkat II) level Development Planning Agency)
BAPEDAL	Badan Pengendalian Dampak Lingkungan (Agency for Environmental Protection)
BAPEDALDA	Badan Pengendalian Lingkungan Daerah (Provincial Agency for Environmental Protection)
BFMP	Berau Forest Management Project (European Union)
CARE	International NGO dedicated to assisting local communities
CBO	Community Based Organization
CDM	Clean Development Mechanism
CI	Conservation International
CED	Conservation Enterprise Development (a TNC initiative)
CEPI	Collaborative Environmental Protection in Indonesia (funded by CIDA)
CIDA	Canadian International Development Agency
CIFOR	Center for International Forestry Research
CRMP	Coastal Resources Marine Program (a cooperative agreement project between the U. of Rhode Island's Coastal Resources Center and USAID)
CZM	Coastal Zone Management
DfID	Department for International Development (formerly ODA)
DKP	Ministry of Marine Affairs and Fisheries
DPR	Dewan Perwakilan Rakyat (People's Representative Council)
DPRD	Dewan Perwakilan Rakyat Daerah (Local People's Representative Council)
EAPEI	East Asia and Pacific Environmental Initiative
EPIQ	Environmental Policy and Institutional Strengthening Indefinite Quantity Contract (a consortium of consulting companies, part of the USAID NRM II)
EU	European Union
GEF	Global Environment Facility Project
GOI	Government of Indonesia
GTZ	German Agency for Technical Cooperation
IBRA	Indonesian Banking Restructuring Agency
INCUNE	Indonesian Coastal Universities Network
ICZM	Integrated Coastal Zone Management
IFFM	Integrated Forest Fire Management Project (a GTZ project)
JICA	Japanese International Cooperation Agency
KAP	Knowledge, attitudes, practices survey (EPIQ funded)
MOU	Memorandum of Understanding
MoF	Ministry of Forestry
NGO	Non-governmental organization
NR	Natural Resource
NRM	Natural Resource Management

NRM II	Natural Resource Management Program (USAID)
PA	Protected Area
RTRWP	Rencana Tata Ruang Wilayah Propinsi (Provincial Spatial Development Plan)
SO	Strategic Objective
SOT	Strategic Objective Team
TA	Technical Assistance
TNC	The Nature Conservancy
USAID	United States Agency for International Development
USG	United States Government
WWF	World Wide Fund for Nature

INTRODUCTION

The USAID Mission's Natural Resources Management program combines all of the Mission's rural environmental resource activities into a single program focusing upon the decentralization and strengthening of natural resource management in Indonesia. USAID approves funding and negotiates agreements with the Government of Indonesia (GOI) and other partners to implement NRM program activities.

The NRM II program started in 1996 under a centralized government system. Sectoral activities were implemented in protected areas management, forest resources management and coastal resources management. The original program design reflects the perspectives and policy existing at that time. Economic, social, and political upheavals began in 1997, resulting in the overthrow of the Soeharto government, and led to a more democratic government in 1999. Based on demands for more decentralized government systems and the rapidly changing socioeconomic and political situation, the program was redesigned to emphasize a more integrated cross-sectoral approach with a specific geographic focus in 1999.

Political disputes and socioeconomic problems have plagued Indonesia since 1997. The reform agenda is not progressing as smoothly or as quickly as hoped following the first democratic election in 1999. Although some new laws have been passed, the essential regulatory framework necessary for implementation and required overhaul of the legal system (to eliminate corruption) has not been completed. Increased transparency and community participation in governance have only been partially realized. Both central and local government politicians are still directly accountable only to their political parties, not their constituents.

Two laws have been passed that address regional autonomy and decentralization issues in Indonesia. Law 22/1999 creates the legal framework for local government and deals with political autonomy. Freely elected councils control local affairs and elect the head of the local administration. Based on law 22, the role and functions of local governments include natural resource management, mining, and coastal management.

Law 25/2000 provides funding for local governments for implementation of their increased functions. It deals with fiscal balance between the regions and central government. Few sources of tax revenues are provided for local governments, and the law still leaves local governments dependent on funding from the central government. Although the current tax system is still in revision, a certain portion of revenues generated by specific sectors will be retained by the district and province from whence they originate. Oil and gas revenues are primarily retained by the central government, while the majority of forestry sector revenues are retained locally.

In a study by EPIQ (Brown, 1999), the grants and subsidies provided by redistribution of natural-resource-based taxes by the central government was compared with estimates of natural resource-based tax allocations that would be retained by each province based on law No. 25/2000. Based on this analysis, many provinces will actually receive fewer revenues than previously.

Implementing regulations for laws 22/199 and 25/2000 have not been completed yet. Provinces and districts have interpreted these laws to empower them to raise local revenues through natural resource extraction. Increased rates of forest conversion appear to have been one result.

Indonesia has experienced some difficulties in enforcement of existing legislation, including those related to the exploitation of natural resources. Violence has become a common mechanism for dispute resolution in some areas of the country. An important factor that has led to clashes throughout the archipelago is uncertainties over governance and access to the natural resource base. Mechanisms to legally resolve land tenure issues and conflicts have still not been formulated. Even in recent Forestry Regulations (Law No. 41, 1999), only state or individually-owned land is recognized. Traditional (adat) land tenure systems still have unclear legal status. There is discussion of "use" rights being given to local communities, but the extent and limitations are not clearly specified.

The rapid course of decentralization undertaken by the central government has had some negative consequences. Ethnic, religious, social, and political conflicts have resulted in violence in certain regions of the country. Violence may continue as long as the groups involved believe that they are not receiving fair access to resources, or, at least, recompense for perceived injustices. The government recognizes the problem and is attempting to deal with it.

Illegal logging, encroachment of protected areas, over-harvesting, destructive fishing techniques, and wide-scale pollution, are putting enormous pressure on the natural resource base and the environment. The diminished environmental quality suffered by many local communities has led to increased poverty, malnutrition, and illness. Poor women and children have been the hardest hit.

Given the on-going changes in Indonesia, USAID Indonesia requested an assessment of its current program in order to ensure that its current NRM programmatic approaches help achieve its NRM strategic goals. The NRM assessment team was requested to: 1) identify enabling conditions for improved natural resource governance in Indonesia under the presently established Mission Country Strategy, 2) make recommendations on how the USAID Mission can strategically promote these conditions, 3) document achievements to date and identify significant problems in implementation - - lessons learned, 4) identify areas, mechanisms, and protocols where project inputs in the future can be optimized in achieving the Mission's new strategy, e.g. incentives for collaboration among Strategic Objective Teams in the Mission working in similar sites, and 5) identify possibilities for coordination and collaboration with other donors under the new NRM strategy. NRM gender issues were also examined.

The assessment team gathered information from both informal and structured individual and group interviews (over 180 people interviewed, see Annexes A and B), site visits (personal observation), and secondary literature (journal articles, project reports and literature, etc.). Qualitative and semi-quantitative analyses were performed. The report is organized by four general areas in accordance with the Scope of Work: legal, institutional, forestry, and coastal marine.

USAID INDONESIA MISSION'S STRATEGY AND APPROACHES

The U.S. Government has established two major goals for foreign policy in Indonesia. These goals are the institutionalization of democracy and the resumption of economic growth. In developing its current mission strategy, two basic principles have guided the USAID mission in Indonesia (from the USAID Indonesia website):

- “The need to provide timely support for those leading or advocating reform in order to sustain and broaden Indonesia's political and economic transition.”
- “The need to strengthen the capacity of key institutions so that they can meet the priority needs and expectations of the Indonesian people.”

These guiding principles have led USAID/Indonesia to the following six strategic objectives and one special objective (from the USAID Indonesia website):

- Democratic Reforms Sustained and Deepened
- Decentralized and Participatory Local Government
- Foundations Set for Rapid, Sustainable and Equitable Economic Growth
- Energy Sector Governance Strengthened
- Decentralized and Strengthened Natural Resources Management
- Health of Women and Children Improved
- Impact of Conflicts and Crises Reduced

Support for decentralization is new to USAID's strategy, as is a greater emphasis on justice, gender, and geographic foci. Six provinces (East and West Java, Aceh, West Papua, North Sulawesi, and East Kalimantan) have been selected as the primary geographic focus of mission activities. Energy and conflict mitigation objectives are also new.

The Natural Resources Management program is an umbrella program, combining all of USAID/Indonesia's environmental resource activities into a single program that focuses upon only one strategic objective. This objective is decentralized and strengthened natural resources management.

The three intermediate results produced by this objective are:

- Clarification of roles and responsibilities for natural resources decision-making and management;
- Capacity of local stakeholders to manage natural resources improved; and
- Establishment of broader and more knowledgeable public demand for sustainable natural resources management.

The Natural Resources Management Program is currently implemented through seven partners. These partners are: EPIQ, BSP – Kemala, CRMP, TNC, CI, WWF, and the Department of the Interior. Organizational models vary considerably amongst these partners, and include a consortium of professional consulting firms, a US University Center, local NGOs, international NGOs, and a department of the USG.

The current USAID mission approach seeks to de-emphasize sectoral activities, and emphasize greater integration, both within the Natural Resources Management program, and among Strategic Objective Teams. Coordination among SOTs is considered essential, given the unstable and constantly changing socio-political circumstances within Indonesia.

FINDINGS

Enabling Conditions Necessary for Improved Natural Resource Governance

Restoration of the rule of law is the most important enabling condition necessary for improved natural resource governance in Indonesia. Transparency, public accountability, and informed community participation are also crucial ingredients. The success of the Mission's efforts to improve natural resource governance hinges on establishment of these enabling conditions.

The rights of individuals and communities with respect to access to natural resources are becoming better understood, but the concomitant responsibilities and respect for other's rights are often lacking. Traditional information dissemination mechanisms (media and NGOs) are poorly equipped to address these issues. Both EPIQ and the Democracy and Governance SOT are planning training workshops for journalists.

Based on the KAP survey conducted by EPIQ, awareness of NRM and conservation issues is emerging. Concern is low, however, unless the environmental issue has direct relevance to the individual.

Natural resource management in several provinces was already widely recognized as poor under central government direction, through the process of decentralization it is likely to decline further. There is little district level capacity to deal with complex environmental problems, natural resource use policy, or the technical aspects of natural resource governance. Most local NGOs, although highly motivated, have little or no experience or background in environmental management, and hence cannot fill the gap created by the lack of expertise at the district government.

Local Government

Regional Autonomy and National Law

The large-scale exploitation of Indonesia's natural resources was previously correlated with human rights abuses, due in part to the former GOI administration authorizing the financial involvement of the military. Regional autonomy was a political decision to address such issues as economic disparity across provinces, public participation, and the perceived threat of national disintegration.

In the past few years the Indonesian Parliament has passed Law 22/1999 on Decentralization and Law 25/2000 concerning the Fiscal Balance between Central and Regional Government. In addition, the Parliament passed TAP 3/MPR/2000 concerning the hierarchy and source of law and regulations. This last act changed drastically the relationship between central and regional governments. Ministerial decrees are no longer superior to District Regulations, known as PERDA. District governments gained more authority to manage their own region, including administration, spatial planning, and resolution of conflicts.

Regional autonomy is being implemented under turbulent conditions, including political crisis, the burden of foreign debt, a significant increase in poverty, overcapacity of timber-based industries, and multiple conflicts. Central government has not yet defined and explained the roles and responsibilities of different government bodies, or different layers of government. Few of the necessary government regulations (*Peraturan Pemerintah*) required for the implementation of autonomy have been completed.

Management of the natural resource base has deteriorated with the move towards decentralization and regional autonomy. Central government control has been weakened and/ or absent, while the critical mass required at the district level has not yet been developed and organized for the most part. Lack of political focus on the environment has led to minimal and inconsistent law enforcement with respect to the natural resource base. In addition, local governments are environmentally less sensitive and generally lack the knowledge, skill, and capacity to develop and implement a sound natural resource management policy. In East Kalimantan, for example, approximately 10% of parliament members have the required skills necessary to conduct their jobs. Many of them have never seen and/or read the major existing laws and regulations concerning natural resource management.

Unresolved tension, due in part to unclear regulations and resistance to change, exist between central and local government, executive and legislative (DPR) bodies, district and provincial government, as well as between departments in central government. The Association of Provincial Governments recently proposed a revision of Law 22/1999 to the central government, as many districts are considered out of control and contributing to the disintegration of the country. Tension may increase in the near future if the central government imposes their power over local governments through Central Veto Rights as guaranteed by Law 22/1999, article 114.

District Regulations (Perda)

Provincial and district governments have been proactive in obtaining their rights to manage local resources, especially in the rich resource districts. There has been a large increase in the number of district regulations, known as *Perda* (Peraturan Daerah). For example, Kutai Kartanegara produced 39 *Perdas* during 2000. Half of these are related to natural resource management and village governance. During the same time period, resource poor Minahasa, in North Sulawesi, produced only a few *Perdas*. *Perdas* function as the legal foundation for district authority.

At the village level, Law 22/1999, chapter 11 authorizes village governments to establish village parliaments, known as *Badan Perwakilan Desa*, and to produce necessary regulations. These regulations, however, appear to have little legal authority. Many high-ranking GOI officials doubt their validity. The ordinances have also lead to increased conflict between villages with overlapping land and/or sea claims in some instances. Marine jurisdiction is particularly unclear.

Many of the *Perdas* developed have had little public participation and do not fully reflect the realities and problems being addressed. Little attention is given to sustainable use of natural resources or conservation. In many cases, regulations favor sustaining the status quo, ensuring that those with power and capital retain advantages. For example, in East Kalimantan, some members of local parliament own sawmills that process logs from community logging activities. This emerging phenomena of neo-KKN (Corruption, Collusion, and Nepotism) is troubling. Mechanisms and incentives for effective monitoring, control, and evaluation of *Perdas* are still lacking.

Some district and provincial government officials, however, are proactive in seeking public feedback and engage in consultation regarding development of PROPEDA (Program Pembangunan Daerah) via local television, newspapers and radio more often than previously. EPIQ has facilitated the development of public consultation mechanisms with BAPPENAS and local government in East Kalimantan.

Decentralization and regional autonomy has led to an increase in the number of districts and provinces in Indonesia. Religion and natural resources have both played key roles in the formation of new political units. Based on law 47/2000, there are now four new districts in East Kalimantan and one in

North Sulawesi. Gorontalo has become a new province in resource poor North Sulawesi. In resource rich East Kalimantan, the five districts with good remaining forest cover have united and are attempting to form a new province. These five resource rich districts have agreed to allocate a budget of approximately 200 million rupiah per year to support their efforts.

Local Institutions

Institutional Capacity

There are growing numbers of local civil society organizations working on issues such as environment, human rights, gender equity, labor, democracy, education, policy and judicial watch, agrarian reform, and mapping. In East Kalimantan, there are now approximately more than 90 organizations. North Sulawesi has at least 20 NGOs and the number is growing. NGOs are situated mainly in the capital city of the province, with a few scattered in various districts.

The organizational and technical capacity of almost all local institutions (government, NGOs, and universities) is still extremely limited. Necessary management, finance, and technical knowledge are frequently lacking. In addition, these organizations also face financial constraints, and are usually weak in their ability to anticipate or manage conflicts that arise as a result of their activities.

Poor performance by individuals is often not quickly rectified. Accountability is still weak. There are examples where the influx of donor funds has led to misappropriation and the enriching of specific individuals, due to the lack of control systems.

Advocacy by NGOs frequently relies upon emotional arguments, as opposed to scientific data or documented facts. The ability to make an effective, well-supported case, is a skill that needs development.

Sharing skills and expertise within NGO networks is still limited. There are numerous examples where NGOs do not seek the best expertise available, primarily due to lack of information. Network effectiveness is often left to individual efforts, rather than being institutionalized, with clear, written, agreed upon procedures.

Among the local government officials, some individual leaders are emerging. These leaders are more open to innovative solutions to problems and are willing to consider alternatives. NGOs vary considerably in their abilities and potentials. Some NGOs are notably stronger due to interventions by BSP Kemala and EPIQ. Increased NGO strength, however, has had little impact on natural resource management policy, beyond very specific local improvements.

To enhance their ability to influence local government, some NGOs have begun working closely with government on NRM policy development. APKSA (East Kalimantan Alliance for Natural Resource Policy Reform), an NGO and university consortium supported by EPIQ, has been facilitating the enhancement of local legislative capacity in Kutai Kartanagara by providing parliament members training in legal drafting, conducting exchange programs, and policy dialogues (details are given in the MOU between APKSA and DPRD Kutai).

Outreach and communication activities by the NRM II program have sometimes been poorly targeted. Stakeholders have generally not used NRM materials as a basis for decision-making at the national,

regional, or even field levels. Information exchange mechanisms, although improved, are still not wide spread enough.

Community Management of Natural Resources

Community members still have little involvement in natural resource decision-making. Village and district level decisions are still generally made without community consultations.

Many communities in East Kalimantan and Sulawesi are experiencing “donor fatigue”. Community members are tired of short-term fixes and having their expectations unmet by multiple projects. There is little initiative to undertake natural resource management activities independently. Community participation in existing NRM II activities is low without the provision of external incentives, e.g. block grants provided by CRMP.

Although communities have significant local knowledge concerning specific resources, this information is insufficient to sustainably manage all natural resources without technical assistance. They specifically need assistance with understanding landscape scale ecological processes in order to determine ecologically sustainable yields. NRM II programs have had little success in placing community-based natural resource management of forests and land in villages within the context of wider sustainable ecosystem management, whether in protected or non-protected areas.

Community conservation agreements have been quite successful in some specific circumstances; i.e., when communities are homogenous, have long-standing sociocultural ties to an area, and can recognize/receive the benefits of sustainable NRM. Agreements do not necessarily prevent trespass by others outside the community. Others may have equally valid legal rights of access (e.g., marine waters), or community members may wish to avoid physical conflict.

Community revenue retention from NR is low in general (bird’s nests and gaharu are an exception). Natural resources are under-valued at the source point and middle-men control the revenue stream. Many communities are deeply in debt to these middle-men and are constrained from seeking other markets through debt repayment agreements.

Natural resource management policies are still not addressing the tenurial rights of local communities. Determining tenurial rights is a difficult and complex issue, given the government promoted transmigration program over past decades and the migratory customs of some of Indonesia’s indigenous peoples (e.g., land-based Penan from Kalimantan and sea-faring Bugis from Sulawesi). Many communities have mixed ethnicity and tenure lengths. Some “migrant” families have lived in an area for over 150 years. Failure to address this issue is leading to growing poverty, severe environmental degradation, and increased conflicts. A tragic example of this is the current violence in Kalimantan between indigenous Dyaks and migrant Madurese.

Community participatory mapping has been used to serve many different purposes: determining the resources currently used by communities, making plans for future resource use, and for making legal claims. Community maps have not taken into account landscape scale ecological processes. Mapping methods and the amount of training provided communities has varied widely. The purpose of the mapping has often been unclear and confused. In some cases, maps have led to inter-community clashes over jointly claimed land or sea. Community maps had no legal status in the past, but some district governments, notably in East Kalimantan, are beginning to accept them as legal documents.

Institutions and Communities

At the national and regional levels, NRM II has succeeded in encouraging strategic stakeholders to promote new roles in the decentralization of natural resources and the development of a natural resource management model. Unfortunately, these new roles are restricted to a limited number of stakeholders and there has been little emphasis on inherent responsibilities. As a result, the new roles are temporary in nature and there are no significant changes in natural resource management that is inclusive of national and regional policies.

Law enforcement remains weak. Coordination between law enforcement agencies is poor and formal legal procedures are rarely implemented. Law enforcement has failed to guarantee the security of local communities and natural resource sustainability. Law enforcement officers are unable to cope with cases of illegal logging and illegal fishing. In addition to problems of corruption and bribery, legal officers (judges, attorneys, and lawyers) have limited capacity and understanding of environmental law. Environmental violations are seen as a low priority.

Institutionalizing Conflict Resolution Mechanisms

Participatory conflict avoidance, management, and resolution are required to be core to design, policies and implementation for effective natural resource management. In practice, natural resource management at the regional level has not involved such mechanisms because existing laws and regulations prohibited them.

Escalation of natural resource management conflicts in scope, magnitude and intensity have not been accompanied by preparedness of stakeholders to handle these conflicts systematically, nor considered as an integral part of policies, programs and projects. Natural resource conflicts tend to be either avoided or downplayed in program implementation. Initiatives to develop conflict resolution training and manuals, such as that by BSP Kemala, are a start, but need to better reflect the issues and realities in the field.

Military and paramilitary (*premanisme*) interests in the natural resource sector appear to be contributing factors to continued violence within the regions. Decentralization, regional autonomy, and the splitting of the police from the army are reducing the army's ability to raise funds through its business enterprises.

Coastal and Marine

Ministry of Marine Affairs and Fisheries

The DKP (Ministry of Marine Affairs and Fisheries) is a new ministry, with interest and concern at decentralized levels but limited or no capacity or presence at the province or district level. Few models or examples of coastal management exist in Indonesia, but the national framework is in development, and priorities have been set. The DKP's first priorities are Fisheries, Seamanship, and Marine Tourism while the national coastal zone law is developed. The DKP's second tier of priorities is implementing the new CZM law, special issues of small islands, capacity-building and other maritime issues (e.g., marine transportation, international agreements, climate change).

DKP has a few good tools to help them in this development process: a) The National Coastal Conference (every 2 years, the next one is in 2002), b) a new coastal zone law in development, c) the

support of several donors, and d) the Memorandum of Mutual Interest with NOAA. The World Bank is also providing DKP a full-time advisor/TA for institutional development.

Knowledge of marine subjects is limited everywhere within the new ministry, within the other governmental agencies, in academia and in the public sector. Some people know “what” to do about managing coasts (i.e., Integrated Coastal Zone Management, Marine Protected Areas) but few know “how”.

The Academic Draft of a new national marine and coastal law is in its last revision and should be released in April 2001. The DKP is drafting guidelines for the law. Parliament has scheduled discussions on this law for early 2002. The legal framework for any action, in the meantime, however, remains unclear. Institutionalizing the law will take time. Excessive testing of coastal cases before its implementation could distract from other strategic plans and priority actions to develop the national coastal policy.

EPIQ, CRMP, and Coastal Management

The participatory co-management approach of Proyek Pesisir in Balikpapan on the watershed and regional scale are gaining acceptance, as is the watershed management component of EPIQ in N. Sulawesi.

However, EPIQ and CRMP’s community-based management/co-management efforts in coastal conservation in N. Sulawesi are progressing with mixed success and problems, as well as with disconnects and lack of coordination. This is particularly true now that the JICA project (trained by and following the Proyek Pesisir model) has begun working in the coastal communities. These problems include conflicting policies on actions within the National Park, two projects working differently in the same villages, and one NGO being asked/trained to take different approaches for similar objectives.

CRMP’s Proyek Pesisir

The community-based management model is reaching widespread global acceptance based partially on CRMP’s work in other countries. Key elements are participatory management by communities, stewardship, and introduction of some tools to assist implementation. Overall the design is reasonable, the level of activity is high, and a number of successful outcomes (e.g., community awareness of the needs to manage resources, of the rules to stop fishing within the reserve, and willingness to participate in resource monitoring, etc) are evident.

Design and implementation flaws were observed at field sites in N. Sulawesi and Balikpapan. These included reliance on cash and non-conservation development aid as an entrée to villages (non-sustainable), focus on “key” stakeholders as opposed to all stakeholders, insufficient attention to the wider legal framework that provides the context for village regulations and the on-going legal disputes concerning the validity of village regulations, project-funded wells and latrines placed in close proximity violating USAID regulations, and lack of appropriate awareness materials (e.g., paucity of materials provided by CRMP, and awareness materials provided written above average reading level in village).

Socio-economic and environmental baseline studies at the CRMP site in N. Sulawesi identified an over-exploited fishery using destructive practices, but well-organized in terms of no-conflicts among the users between villages. The CRMP approach addressed the over-exploitation issue with village sanctuaries,

but this approach appears to be creating conflict among users from other villages with legal access rights to the area.

Blongko Village is used as the premier demonstration site for the community-based management approach, applying a village management plan, a marine sanctuary (no-take area) and village-level ordinances to implement conservation. CRMP plans to proceed with wide-scale replication of their model with the vision of 6000 coastal communities, each with their own sanctuary. In addition to the general concerns mentioned above, several problems were identified by a visit to this village as a demonstration site. These included an inadequate information center and village-appropriate documentation, lack of knowledge of the villagers presenting the demonstration to other visiting village-leaders, a dis-functioning fund for purchasing boat engines for fishers, inadequate environmental and project monitoring, and village fishermen who are protecting their sanctuary but are still fishing in other villages that don't have sanctuaries (i.e., adding stress to the other village resources).

This village is considered by the team unprepared to offer competent demonstrations. There were no materials, and evidently little or no coaching on how to make these presentations. Donations of varying amounts are accepted for those using Blongko as a demonstration site, but it was not clear how these funds were distributed.

Additional technical input is required to support communities. Community extension workers did not appear to have the capacity to provide adequate mentoring. For example, the mangrove planting in Balikpapan was reportedly done without adequate expertise. The few village members asked during the rapid assessment had little understanding of mangrove functions or the environmental damage done by shrimp ponds. Environmental monitoring has either not begun in earnest or is poorly implemented; e.g., inadequate sampling and analysis of marine sanctuary data in N. Sulawesi. Sanctuary placement, size, and distribution do not appear to be based on larger regional, strategic, or ecological considerations, e.g., "hot spots", turtle nesting spots, and spawning grounds. Nor do other development interests and activities in the region appear to play a role. Small community reserves are a good start and can play a role, but additional strategies need to be addressed at larger scales to address fishery depletion as well. The lack of technical and scientific guidance has been recognized as a gap and is being addressed by the CRMP leadership

Forestry

Forestry Policy

A new Minister has just been appointed in the MoF. Constant revisions within MoF make coherent policy development and implementation difficult. Promises to CGI by the past Ministry have been deemed unrealistic by the new administration, and cannot be achieved in the remaining time frame.

Decentralization has exacerbated illegal logging. Illegal logging is currently thought to, at minimum, equal the amount of legal logging. According to EFI reports, approximately 2 million ha are being deforested per year. District governments have been selling 100 ha community logging plots (IPHH or IPPK) for up to 50 million rupiah in order to generate revenues. In Kutai Barat alone, there are 622 permits covering about 62,200 hectares of forest land (as of March 2001). The rate of forest cover lost has increased dramatically over the past three years, and there has been significant habitat fragmentation. As the regulatory framework is still not in place, and transboundary ecological issues have not been addressed, senior officials within the MoF prefer a slower phased approach to decentralization.

Current forestry policy allows permanent production forest to be converted to agriculture/plantations if degraded. This policy, coupled with current non-sustainable extraction rates, has encouraged environmental degradation and the reduction of the permanent forest estate. Degraded landscapes are the most vulnerable to fire. Large-scale fires have become a recurrent problem in the last two decades. Almost all fires are anthropogenic in origin. In the last major fire in 1997/1998, a WWF study showed that the majority of the hotspots occurred in concessions/plantations. A new regulation (PP4/ 2001) holds concessions/plantations accountable for fires on their holdings.

Policy efforts in the NRM II have focused on such issues as methods for resource valuation, alternative park financing, and timber certification. These efforts have met with varying success. Resource valuation and alternative park financing have been the best received and have had measureable impact. Timber certification has had little success. This is not surprising, given the majority of timber harvested is for domestic and Asian markets and current certification efforts address < 2% of the timber market.

Policy documents produced by EPIQ have had greatest value to the donor community. Most documents are seen as too lengthy and complex by MoF staff, and some important documents are only provided in English (e.g., the Debt for Nature Swap materials).

National Parks

The NRM II has funded some basic training of rangers at four parks (Kutai, Bunaken, Tangkoko, Lore Lindu) and the baseline ecological and socio-economic data required for management at Lore Lindu and Bunaken. According to the rangers interviewed, skills obtained from training courses are rarely practiced.

Innovative financing mechanisms have been explored by EPIQ, TNC, WWF, and CI. They include special increased park fees, Debt for Nature Swaps, Clean Development Mechanisms (e.g. carbon sequestration), and others. Implementation of some of these mechanisms has begun to occur by TNC (at Komodo and Lore Lindu), CI (Gunung Gede Pangrango), and EPIQ (Bunaken initiated a new dive fee and tag system in April 2001).

Protected area management interventions have not had much success across Indonesia at terrestrial parks (e.g., Gunung Palung), primarily due to the lack of enabling conditions, notably enforcement. The management of the marine park, Bunaken, however, has been improved.

There is continued reluctance to enforce regulations by park rangers. This is due to several factors, including: lack of appropriate equipment, supplies, and transportation, absence of backup from the judicial system, low wages encourage corruption, low morale, lack of incentives, and fear of violent reprisal. This fear is justified, given that at some sites park rangers have been beaten up, park and project buildings burned, and NRM project staff and partners threatened.

There are six marine parks included in the Indonesian Protected Areas Program in MoF. The new marine ministry had begun talks with MoF to have the parks reassigned. With the change in ministers, these talks will have to be restarted. There is considerable resistance from the MoF PKA staff to this transfer. MoF staff indicated that the marine ministry did not have the capacity or mandate to engage in conservation activities.

Bunaken National Marine Park

In Bunaken National Marine Park in N. Sulawesi, the zoning plan facilitated by EPIQ appears to be widely accepted by the Bunaken Island community. The zoning revision of Mantehage Island has just begun. The NGO KELOLA is a perceived lead in this participatory facilitation, through their extension officers who have been working with EPIQ, and with the park officials. The extension officers estimated a time of approximately 3 months per village to complete the process of awareness through revision and adoption of the zoning by the village.

The Water Sports Association is playing a major organizational and financial role in supporting the marine park, including loaning boats and engines to the rangers for patrols, paying for village co-patrollers on joint patrols, promoting good behaviors, cleaning garbage from the shores, and supporting the participatory process underway. Overall this is seen as a positive factor to fill a current gap, but some private-sector fatigue and some complaints from other stakeholders against the Association members (e.g., from fishers) are evident.

Spatial/Environmental Planning

The bottom-up approach in determining land use currently advocated by some NRM partners will lead to increased forest fragmentation, as decisions are made without respect to forest connectivity and landscape level ecological processes. Approaches that integrate top-down and bottom-up processes appear more successful.

Collaboration: NRM II partners, other SOTs, other Donors

NRM Partners

NRM partners continue to use sectoral approaches with poorly coordinated planning processes. Some coordination has occurred among EPIQ, CRMP and BSP-Kemala in Jakarta, but the level has generally been low. Joint work planning among these partners has been irregular. Coordination will most likely decline further with the loss of the secretariat function at the end of the EPIQ contract in September. Coordination with “off campus” partners (WWF, CI, and TNC) is very low; no joint work planning has occurred. There is little inter-relatedness or synergy between program partners.

Activity types overlap significantly among NRM partners. Awareness, community mapping, training, spatial planning, conservation finance, etc. are all carried out by numerous partners. The methods used and materials developed do not regularly build upon efforts by partners. This results in inefficiencies (e.g., several partners developing their own awareness materials on similar conservation topics). High levels of competition exist between various partners, reducing the ability to meet the needs of stakeholders. For example, the community-based coastal resource management program run by CRMP in Manado has substantially and empirically conflicted with the conservation area co-management program run by EPIQ. This appears due in part to the different goals and constraints of working in a national park versus a non-protected area, and partly due to misapplication of the CRMP global model.

Other SOTs

Coordination with other SOTs is extremely low. However, all NRM partners interviewed are keen to increase collaboration with other SOTs, including Democracy and Governance, and Decentralization.

The lack of a dedicated regional presence by other SOTs creates additional pressure on NRM to fill the gaps. The NRM II program has invested a considerable amount of its resources (staff, time, and money) in dealing with governance and democratization issues.

Other Donors

Donors, partners, the GOI, and other stakeholders poorly understand the USAID NRM II program structure and focus. (Of particular note is the confusion concerning NRM and EPIQ; the two are often considered synonymous.) This reduces opportunities for collaboration and synergy, as well as reducing effectiveness at filling gaps in coverage. There appears to be considerable overlap in objectives and policy work at the national level, there is also considerable overlap in activities in E. Kalimantan and N. Sulawesi (see Annex D).

Other donor's appreciate greatly appreciate the policy documents produced by NRM II. These documents have provided timely and succinct analyses that they have used in their own work. In addition, NRM II is seen as facilitating an essential juncture between "top-down" and "bottom-up" processes in policy and decision-making.

Donor's coordination meetings occur regularly in the forestry sector. EPIQ participates in these meetings. There does not appear to be an established donor group addressing the marine and coastal issues, and what coordination that is occurring happens most often at the project or site-level. For example, USAID's national coastal policy program is not well integrated with COREMAP (a long-term multilateral donor project for national coral reef rehabilitation and management in its third year) and the new JICA-funded N. Sulawesi Coral Reef Management Plan.

Gender Issues

Greater gender equity is observed in some of the partner organizations than others. Organizational history, staff biases, and the tone set by senior management all play a role.

EPIQ has begun a gender outreach program. This has had mixed success; the particular religious and ethnic composition of target groups appear to play a strong role.

Females were identified as preferred for community outreach programs. Both CRMP and EPIQ staff stated that females were seen as less threatening by community members. The single women were accepted by existing women's groups and seen as potential marriage partners by males. The latter caused some problems for some female staff. (Villages typically have a greater number of males than females.)

Exit Strategies

BSP-Kemala has a well-developed and potentially sustainable exit strategy. Kemala will become a local NGO and continue to function as the primary node for an environmental community rights network of NGOs. This approach appears to be well supported by the wider community.

EPIQ has no developed exit strategy. The functions currently served by EPIQ will be needed in the future. These include a coordination or secretariat function, policy analysis, and management of a small grants program.

CRMP's exit strategy has been developed, but is not generally well accepted by stakeholders at the two sites visited. In Balikpapan, their plan is to become a new NGO, and they have already made arrangements to sell their services to local government. The project has hired all members of an existing local NGO as their staff. Local NGOs resent this, and feel that instead of strengthening local capacity, the project staff has taken advantage. In Sulawesi, the project plans to become part of the local university as a new department. The project staff acknowledges that university faculty will not welcome their plan. Steps have been begun to formalize this arrangement, but this plan does not take into account the low level of capacity present in the existing project staff at the site.

The international NGOs currently funded by NRM II plan to continue activities within Indonesia long-term, and have no plans to stop activities in general.

ANALYSIS OF THREATS TO INDONESIA'S ENVIRONMENT AND NRM AND CURRENT USAID NRM II RESPONSE

KEY:

Scale / Magnitude of impacts:

Impact magnitude: N = no impact
L = low impact
M = medium impact
S = severe impact

Impact on: C = ecological community
I = individual species

Impact scale: 0 = isolated
1 = occasional
2 = common
3 = widespread

Source of threat is Direct (D) or Indirect (I)

Timeframe (to onset of impacts and duration):

Impact onset: I = immediate = less than 6 months
S = short term = 6 months to one year
M = medium term = one to five years
L = long term = over five years

Impact duration: T = impacts are temporary, once threat is removed
E = impacts are enduring, will continue after threat is removed

Responsible parties:

G = central government departments
L = local government departments
C = community

I = international private or corporate
P = local private or corporate

Intervention level:

G = central government departments
L = local government departments
C = community
N = national community

I = international private or corporate
P = local private or corporate
W = international community
O = other

Type intervention:

Z = Zonation
L = Legal regulation (inc. enforcement)
A = Awareness building
R = Research
O = other

E = Economic alternatives
B = Best practices
C = Capacity building
T = Training

Probable outcome and feasibility of intervention:

F = Feasible (human/financial resources available) S = Success
I = In-feasible M = Mixed

P = Poor

Rank (based on severity and scale of threat and probable outcome of feasible intervention):

1 = severe impact, scale 3, mixed or success

2 = severe impact, scale 2, mixed or success,
severe impact, scale 3, poor
medium impact, scale 3, mixed or success

3 = severe impact, scale 1, mixed or success,
severe impact, scale 2, poor
medium impact scale, scale 2, mixed or success
medium impact, scale 3, poor

4 = severe impact, scale 1, poor
medium impact, scale 1, mixed or success,
medium impact, scale 2, poor
low impact, scale 3, mixed or success

5 = medium impact, scale 1, poor
low impact, scale 2, mixed or success

NRM II Activity addressing threat is Direct (D) or Indirect (I)

Type threat	Major env. impacts	Scale of impact	Time-frame	Responsible parties	Intervention level	Appropriate Intervention types	Probable outcome	Rank	NRM II Activity
Hunting D	May reduce biodiversity through local extinctions	SI3, MC3	MT	MoF	G,N,C,W	Z,L,A,E	FM	1	I
Agricultural expansion D	Alters nutrient cycles; alters hydrological cycles; increases sedimentation; introduction of toxins; loss of biodiversity through land conversion	SC3	IE	MoF, BAPPANAS, BAPPEDA, BAPEDALDA	G,L,N,C	Z,L,B,E	FM	1	I
Conversion to plantations D	Alters nutrient cycles; alters hydrological cycles; increases sedimentation; introduction of toxins; loss of biodiversity through land conversion	SC3	IE	MoF, BAPPANAS, BAPPEDA, BAPEDALDA	G,L,N,C	Z,B	FM	1	I
Mariculture (shrimp ponds) D	Eliminates coastal mangrove; increases sedimentation; eliminates breeding grounds; decreases productivity	SC3	IE	DKP, BAPPANAS, BAPPEDA, BAPEDALDA	L,C	L,A,E	FM	1	I
Lack of enforcement/political will I	May lead to overharvesting, increased pollution, and loss of biodiversity	SC3	MT	Police, governing agencies of Ministries	G,L,C	A,L,C,O	FM	1	D
Illegal logging - commercial D	Alters microclimate; Damages resource base for some species; increased sedimentation*	SC3	IT	MoF L,I,P	L,G,C	B,E,Z,L	FP	2	D
Over-harvesting D	May reduce biodiversity through local extinctions	SI2, MC3	MT	MoF	G,N,C,W	Z,L,A,E	FM	2	D (marine) I (forest)
Logging - Small scale D	Alters microclimate; Damages resource base for some species; increased sedimentation*	MC3	IT	Individuals, C	L,C	L,B,E,A	FS	2	D
Fire D	May reduce biodiversity through causing local extinctions; Alters nutrient cycles; Alters hydrological cycles	SC2, MC3	IT or IE	MoF, M of Env., P,I, individuals	G,L,P,I,C	L,A,R	FM	2	D
Mining - small scale D	Alters nutrient cycles; alters hydrological cycles; increases sedimentation; introduction of toxins	SC3	IE	L,C	L,C	E,L	FP	2	D
Destructive fishing practices D	Overharvesting, leading to extinctions	SC2	IE	C	L,C	A, O	FM	2	D
Roads D	Interferes with dispersal/migration routes; Opens area up to increased hunting, logging and agriculture	SC1, MC3	IE	PU, M of T, BAPPANAS, BAPPEDA, BAPEDALDA	G,L	Z,B	FM	2	I
Introduced species D	May reduce biodiversity through causing local extinctions; May clog waterways	SI1, MC3	ME	M of Env.	G,L,P,I,C	A,B,R,L	FM	2	No activity
Population growth (reproduction and in-migration) I	Increases loss of biodiversity through land conversion; Increases local resource extraction and may lead to env. deg.; Increases pollution	SI2, MC3	ME or LE	M of Welfare, M of Transmig., BAPPANAS, BAPPEDA, BAPEDALDA	G,L,C,N	A,O, L,Z	FM	2	I
Conflict over access to natural resources I	May lead to non-sustainable harvesting of resources and destruction of natural resources through violence	SC2	IE or IT	TNI, Police, M of Welfare, C, L	C,L,G	L, other	FM	2	D

Type threat	Major env. impacts	Scale of impact	Time-frame	Responsible parties	Intervention level	Type intervention	Probable outcome	Rank	NRM II Activity
Economic I	May lead to non-sustainable harvesting of resources	SI1, MC3	MT or ME	M of Finance, MoF, BAPPENAS	G,L,P,I,C	E,T,C	FM	2	D
Lack of appropriate land use planning I	May lead to increased pollution, erosion, flooding, landslips, and loss of biodiversity	SC1, MC3	MT	MPR/DPR BAPPANAS, BAPPEDA	G,L	A,L	FM	2	D
Lack of capacity I	May lead to overharvesting, increased pollution, and loss of biodiversity	MC3 to SC2	MT	M of Ed.	G,L,C	A,C,T	FM	2	D
Poor governance and org. structure I	May lead to overharvesting, increased pollution, and loss of biodiversity	MC3 to SC2	MT	Police, governing agencies of Ministries	G,L,C	A,L,C,O	FM	2	D
Hydro-electric dam D	Eliminates entire ecol. com. through flooding; alters hydrological cycles; decreases fertility of alluvial plains downstream; interferes with reproduction and dispersal of marine fauna	SC1	IE	L,G	L,G,W	B,O	FS	3	I
Mining-commercial D	Alters nutrient cycles; alters hydrological cycles; increases sedimentation; introduction of toxins	SC1	IE	MoE&M L,I	L,G,C	B,E,Z,L	FM	3	I
Heavy industry D	Alters nutrient cycles; alters hydrological cycles; increases sedimentation; introduction of toxins; loss of biodiversity through land conversion	SC1, MC2	MT or ME	L,C,I,P	L,C,I,P	Z,B	FM	3	I
Waste Disposal D	Increases pollution and sedimentation; increases fire risk; introduction of toxins	MC3	LE	L, I, C, P	L,P,I	Z,L,A,B	FP	3	I
Cultural values I	May lead to increased env. deg., pollution, and loss of biodiversity	LC, MC, or SC 1-3	LT	M of: Religion, culture, and education, Religious leaders	N,C,G	A,C,T	FM	3	I
Global Warming I	May lead to increased droughts, floods, species extinctions	SC2, MC3	LE	International and national policy makers, national and international corporations	G,I,P,O	L,B,A,R,O	FP	3	I
Shipping canals D	Canal dredging destroys river communities; increases pollution	MC1	IE	L,C,I,P	L,C,I,P	Z,B	FM	4	I
Eco-tourism D	Increases pollution; may increase env. deg.; may disturb sensitive species	LC3	LT	M of Tourism, Private corp.	G,L,P,I	E,B,A,T	FS	4	D

*increased sedimentation is due to erosion of topsoil. End results are reduced fertility and productivity on land and decreased aquatic / marine productivity.

NRM II activities directly or indirectly affect almost every potential threat to the environment and sustainable use of natural resources. NRM II might consider focusing more of its resources on threats ranked higher (ranks 1 and 2), and more on direct interventions for those threats.

LESSONS LEARNED

The NRM II has made impressive achievements in the areas of NR policy, marine protected area management, improved capacity of local NGOs, and increased transparency by local government. These achievements are listed in Annex G by the partners themselves. We have extracted some of the major lessons learned and list them here.

General

Maintaining high levels of motivation among staff and buy-in to approaches, methods, and goals is essential to effective implementation of a project.

Long-term training overseas (Master's and Ph.D's) takes a long time to have an impact (20 years), but pays off with high dividends (key high-ranking government and university officials).

BSP – Kemala

Participatory maps can serve as an entry point to working with communities, and as a means of getting neighbouring communities to work together on management agreements.

Co-management can be a cost-effective way of managing natural resources sustainability.

NGOs can be effective implementers, especially for community training, facilitating community mapping and community organizing, providing information, campaigning, and advocacy to local governments.

NGOs require adequate levels of funding to produce effective results and need substantial technical assistance in program management tools.

Provide needed technical assistance through the hiring of existing local institutions where possible, especially for ongoing needs such as conflict resolution, gender training, community mapping, strategic and program planning facilitation; as well as technical resource use issues.

Maximize the amounts of funds spent on activities in Indonesia; i.e., if possible, avoid large overheads to run US-based offices.

NGO support and networking are most effective if there is a common vision. Select partners strategically based on clear selection criteria centered on demonstrated commitment to the common vision and objectives of the program. Complimentary groups with different skills should be linked together to deal with complex issues.

CRMP

Regional Mapping (i.e., the Lampung Coastal Atlas) is an extremely valuable tool for strategic planning.

Regional Mapping involves most of the local stakeholders, including communities, and appears to have less conflict than finer-scale mapping exercises.

Universities can provide technical and strategic advice to both the national and local GOI.

Villages can address formal resource management issues and policy through village management plans.

Flexibility and decentralization in project design have allowed the project to adapt quickly as the political and social situation change.

The development and execution of appropriate environmental monitoring plans is crucial for adaptive management.

Technical support for natural resource management is essential.

Efforts to identify and address gender issues need to be mainstreamed in projects.

EPIQ

It takes time for a regional program to come together and for results to be apparent to local partners. A certain amount of synergy develops as counterparts trust each other and recognize the value of working with the project and all of its partners, including NGOs.

Most collaboration will emerge organically from the local level, if sufficient opportunities for communication are established.

A secretariat plays an important role for some centralized functions, e.g., to provide coordination among regional components, to increase efficient allocation of staff and resources, and to provide consistent documentation of lessons.

Informing and engaging citizens are an integral part of local NRM governance development in this era of decentralization.

TNC (FROM PVO ANNUAL REPORT)

Training in specific concrete skills, such as finances and human resources management, are easily replicable, providing individuals wish to acquire the skill and have opportunities to practice their new skill on the job.

Cultural differences play a role in the development of less tangible skills, such as conflict resolution and coalition building. These skills transfer less easily, and are influenced by individual temperament, as well as cultural norms.

It is easier to strengthen existing community groups and NGOs than to create them.

UNRESOLVED OR EMERGING ISSUES

Community-based Management versus Participatory Co-management

These two terms have been used indiscriminately, and it is not always clear as to exactly what type of approach to natural resource management is being advocated. Among NRM partners, the basic difference in approaches appears to be whether the community is given sole authority and responsibility for managing local natural resources (community-based management), or whether the community participates in the management of natural resources with other stakeholders, including the government (participatory co-management). The level and type of participation may vary in co-management from advisory on specific issues to equal authority across all issues.

The lack of clarity has caused confusion within partner organizations between staff members, between partners, and between NRM II and stakeholders (donors, GOI, communities, NGOs). NRM II should assess the two management approaches and select the most appropriate approach for the situation.

Marine Parks

Marine parks are currently housed in PKA within the Ministry of Forestry. DKP would like to be given control of these parks. The parks hold promise for the generation of significant tourism funds in the future. Senior Ministry of Forestry staff actively opposes the transfer of the parks. It is unlikely that the parks will be given to DKP in the near future. Given these uncertainties, however, NRM II should allocate technical assistance for marine conservation directly to the parks, as opposed to the Ministries.

Marine Policy

There appears to be no solid institutional source for coastal or marine policy in Indonesia. The IPB/BOGOR Center for Coastal Marine Resources Studies is trying to fill this gap, but a great need remains. NRM II may wish to consider building a marine policy capacity (analytical and teaching) within an existing institution through a twinning and partnership program with a U.S.-based marine institute. (Possible partners include the Woods Hole Marine Policy Institute, URI Marine Affairs Department, Univ. Of Washington, and the Univ of Delaware.) In the interim, marine policy could be addressed through an expansion of CRMP's responsibilities, through STA from consultants on an iteration of an EPIQ contract, or grants to appropriate NGOs.

University Autonomy

Several universities have been given their autonomy from central government. Other universities are exploring this possibility. Strategic assistance to the faculty and administrators as to the roles of a university in a society (e.g., to lead the public debate on issues, provide critical analysis and needed technical skills), and ways to support their activities through a variety of sources could be invaluable. NRM II could play a key role in leveraging impacts of environmental activities through strategic university alliances and some focused support in cooperation with other donors (e.g., CIDA and the German University Consortium in Palu). University twinning should be considered (see Annex E).

CONCLUSIONS AND RECOMMENDATIONS

Enabling Conditions Necessary for Improved Natural Resource Governance

Widespread improvement of natural resource governance will not occur until the rule of law is restored throughout the nation, communities and GOI both accept responsibility and are held accountable for their actions, and there is genuine concern for environmental issues.

Recommendations:

- a) Support efforts to increase enforcement of laws and regulations, transparency, public accountability, and informed community participation.
- b) Increase the strength and capability of the media to inform the public through training and workshops for journalists. Consider funding a talk radio show on environmental issues.
- c) Conduct national campaigns aimed at increasing concern, and changing attitudes and behavior.
- d) Increase the capacity of officials and institutions to deal with technical and policy issues (see below)

Local Government

Regional Autonomy and National Law

The legal and political situation is turbulent. Central government control is weakened and/ or absent and there is a lack of critical mass at the district level. The roles, relationships, and responsibilities of different government bodies and layers of government are poorly defined.

Recommendations:

- a) Support awareness, capacity building, and public consultation mechanisms to develop a critical mass of effective advocates for sustainable natural resource use. This should be in cooperation with other SOTs. In particular, strengthen support to District Task Forces, District Working Groups on Forestry, and civil society working with local parliament (e.g., APKSA in East Kalimantan).
- b) Facilitate GOI's definition of its role and responsibilities through dialogue and organizational strengthening.

There is a general lack of knowledge, skill, and sensitivity to environmental issues. In many regions, this results in inadequate budget allocation for environmental protection and non-sustainable rates of natural resource extraction to raise revenues.

Recommendations:

- a) Increase the depth of environmental knowledge and governance capacity of local GOI officials in cooperation with other SOTs. Conduct a training needs assessment to identify specific requirements. Consider overseas graduate training for some officials (see lessons learned).
- b) Improve the capacity of the local GOI to draft appropriate laws and regulations, perhaps through an exchange program.

There is little political will to take action, make decisions, or enforce existing laws by national, provincial, or district GOI.

Recommendations

- a) Enlist other SOTs to pursue joint awareness campaigns, training and other activities that will establish necessary enabling conditions. Well-informed citizen will create demand for accountability, transparency and participation in the public policymaking processes. This activity will foster the establishment of critical mass.
- b) Support local councils in their efforts to put pressure on GOI.

- c) Train police, attorneys, and judges concerning natural resource and environmental issues in collaboration with other SOTs and other donors (e.g., GTZ).

District Regulations (Perda)

As authorized by law 22, some local ordinances have been developed. Village ordinances have little legal authority, given that the larger legal framework is weak and unclear. The central government still retains authority over the “use” of natural resources, despite the fact that local government has been given the authority to “manage” the natural resources. This has resulted in confusion and disputes between central and local government, particularly given the lack of specified implementing regulations. Local ordinances can lead to increased conflict between villages that have overlapping land/sea claims (e.g., Blongko) as jurisdiction is not clear. Severe environmental problems are another potential outcome, as decisions concerning local ordinances are made independent of the larger ecological context.

Recommendations:

- a) Support efforts to clarify and strengthen the legal framework at the national, provincial, and district level. This should be considered as an important first step for the Mission.
- b) Incorporate consideration of “common or adat law” if possible and appropriate. This should be coordinated with other SOTs (e.g., Economic Growth team), universities, and local NGOs (e.g., KPA)
- c) Increase public participation in the process of policy development in cooperation with other SOTs (e.g., Democracy and Governance).
- d) Support the design of village ordinances within a larger legal and ecosystem framework.

Local Institutions

Institutional Capacity

Local institutional capacity is increasing slowly, but it needs support. Technical and organizational systems and skills are required. NGOs still have little impact on decentralized natural resource management processes, particularly in the coastal marine sector.

Recommendations:

- a) Provide technical and organizational management assistance to NGOs (particularly marine), user groups, and local GOI in monitoring and evaluation, budgeting, reporting, financial plans, project cycle management, strategic planning, environmental monitoring, and environmental knowledge, etc.
- b) In collaboration with the Democracy and Governance SOT, provide support for continued participatory input on natural resource management, including NGO collaborative mechanisms.
- c) Provide mentoring for NGOs.
- d) Create mechanisms for NGOs to develop sustainable collaborative initiatives based on interests, issues, and/or areas to expand their service delivery to local communities.
- e) Promote a locally run resource pool center that provides information and tools supporting local governance in natural resource management. NRM II should encourage NGOs to scale-up project success stories and integrate them into local development policies.
- f) Establish a small-grants program. Tie grant receipt to participation in an on-going support program, with grant monies delivered in tranches contingent upon participation and completion of milestones.

Communities and Natural Resource Management

Community members are not active informed participants in natural resource decision-making processes and program implementation, and they are rarely the beneficiaries.

Recommendations:

- a) Educate community members on basic ecological principles, sustainable natural resource use, and policy formation. NRM II should support the involvement of community members, through their representatives, in policy-making processes at the local level.
- b) Roles, responsibilities, and limits to authority of communities should be clearly defined in advance, along with defined consequences for failure to comply.
- c) Identify low or no-cost incentives to increase community participation.
- d) Natural resource use should be monitored by a variety of mechanisms, including communities, outside agencies, and a "Forest Watch" type mechanism.
- e) Increase local retention of profits through market assistance, microcredit, and other alternative financial mechanisms.

Institutions and Communities

The concept of natural resource governance built on innovative multistakeholder institutional arrangements has not been institutionalized. Legal institutions are not trusted by communities.

Recommendations:

- a) Nurture and strengthen innovative institutional arrangements at the regional and local levels. NRM II should help develop mechanisms for regional and local 'champions' (NGOs, local academicians, and local government officials) to build collaborative programs.
- b) Ensure that multistakeholder institutional agreements are the foundation of continuous learning for sustainable collaborative management. NRM II should encourage all stakeholders to develop natural resource management agreements that are sustainable environmentally, and incorporate political, economic and socio-cultural development. This can be done through providing balanced information to all stakeholders to reduce existing gaps in knowledge.
- c) NRM II should be consistent in its support of models of natural resource management. It should clarify which models are used under which circumstances to reduce confusion and dissonance among partners.
- d) Promote transparency and public oversight of legal institutions.

Institutionalizing Conflict Resolution Mechanisms

Widespread conflict exists, often over access and/or rights to natural resources. There is no appropriate system for resolving natural resource management conflict.

Recommendations:

- a) Promote the incorporation of appropriate conflict avoidance, management and resolution strategies into natural resource governance (policies, programs, and projects).
- b) Agreement on dispute resolution mechanisms should be finalized prior to beginning of activities that may lead to conflict (e.g., mapping).
- c) Support the provision of conflict resolution training for local government and non-government agencies. This should be conducted in collaboration with other SOTs as well as with other donors such as GTZ, DfID, EU, CIDA, and CIFOR. Institutionalizing conflict management mechanisms should be considered as priority.
- d) Identify areas within main and secondary focus provinces with the potential to serve as models for best practices for conflict resolution

Coastal Marine

Ministry of Marine Affairs and Fisheries

DKP needs and wants help in its efforts to mobilize national interest and awareness of the economic importance of the coastal marine sector and the need for conservation. The NRM II is well positioned to advise and provide technical assistance.

Recommendations:

- a) Build ICZM technical and policy capacity at DKP and locally through training and technical assistance from NOAA (particularly their Coastal Service Center) and an appropriate Marine Policy Institute.
- b) Mobilize national interest, awareness and an integrated strategy with a National Coral Reef Initiative using models of other countries that have completed national initiatives (e.g., USA and Jamaica). Use funding and assistance available now through COREMAP, JICA, the ADB new marine project, the Coral Reef Alliance (a U.S. NGO that is a partner in the International Coral Reef Initiative and that is beginning a new activity in Indonesia), GreenCOM, INCUNE and IPB/Bogor.
- c) Add a technical advisor(s) that can review activities and recommend technical guidelines and monitoring programs to enhance science-based management of resources and appropriate environmental (and activity) monitoring to document results.
- d) Change the CRMP counterpart from BANGDA to a more appropriate ministry such as DKP, or perhaps to BAPPENAS, to better integrate with other policy and management activities in the NRM portfolio.

DKP is helping develop and promote a new coastal law with the assistance of NRM II. There is some concern that without “financing”, other methods of promotion and persuasion will be needed to get the coastal law passed quickly.

Recommendations:

- a) Use the national coastal conference (KONA, May 2002) to build constituency and to vet the proposed law. Encourage DPR and other interests to participate in special sessions.
- b) Continue inputs and advising from NOAA and on coastal law.
- c) Help DKP integrate regional coastal management planning efforts with the national program in order to avoid potential conflicts (e.g., JICA’s efforts in North Sulawesi).
- d) Use Balikpapan, Lampung (and possibly North Sulawesi) as test labs for early implementation actions of the new coastal zone law.

EPIQ, CRMP, and Coastal Management

NRM II partners are not working effectively together towards a common goal of better coastal management.

Recommendations:

- a) Promote a national-level coastal and community-based discussion on various models of coastal marine management in conjunction with EPIQ, COREMAP, ADB, JICA, and others to clarify the situation.
- b) Provide DKP and other agencies with guidelines for all donors and regions on community-based/co-management approaches.
- c) Develop a common strategy for NRM II partners. Focus on a regional coastal policy strategy in N. Sulawesi and on catalyzing regional actions in E. Kalimantan districts by strengthening the links with private sector, academic, and NGOs at the ecosystem scale.

CRMP's Proyek Pesisir

The CRMP approach does not build adequately upon existing village institutions, customs, and lessons learned from extensive terrestrial community-based management experience in Indonesia. The model, as implemented in the pilot, is too costly and not sustainable given the current financial situation in Indonesia. The potential for replication is very low. The emphasis on individual marine reserves for each community is not well grounded within an ecological context.

Recommendations:

- a) Stop briefly and reassess/amend and analyze the pilot sites in order to generate an improved model for replication. Amendments to consider include: replacing donor-funded block grants with no or low –cost incentives (e.g., facilitating fund-raising from sustainable sources), including all stakeholders with valid claims to fishing access in the process (not just those from the target village), working at the district as opposed to the village level, correcting the wells/latrine situation, and excluding non-conservation activities from future models.
- b) Publicly correct the model where the pilots have already been adopted as an example of adaptive management, then continue implementation of the improved model for one year while developing a feasible replication strategy on a district or larger scale.
- c) Continue to add issues to the management plans (e.g., shrimp ponds) after the entry/initial issues are addressed.
- d) Learn from the global and Indonesian community-based NRM experiences.
- e) Only develop local ordinances and sanctuaries as conservation tools within a larger framework.
- f) Discuss the use of Blongko as a demonstration site with village members. If they are still willing to participate, implement effective and transparent management procedures, e.g. using fixed fees (different for donors vs. locals), etc. Prepare an appropriate mini-manual for use and take-home for visitors, and monitor visitors for evaluating demonstration and for application of lessons learned.

Forestry

Forestry Policy

The majority of the forestry policy work conducted recently by NRM II has focused on resource valuation, protected area financing, and timber certification. The forestry sector is over-harvested due to a number of factors including increasing demand for revenues (local) and foreign capital to pay down debt (national), over-capacity of timber and pulp mills, poor enforcement of regulations, and economic policies that under-value resources and allow for externalization of costs. As the majority of the timber is used either domestically, or within the Asia market, little timber enters eco-sensitive markets in Europe, the U.S. and Canada. Certification efforts have had little to no success within Indonesia, despite interest on the part of several NGOs and some timber companies.

Recommendations:

- a) The NRM II should assist GOI in downsizing/restructuring wood industry. One possibility might be to advise IBRA on the closing of heavily-indebted wood industries and link proposed debt write-off to capacity reduction. This would need to be coordinated with the Economic SOT.
- b) Promote performance bonds for both individual and corporate logging operations; post holdings locally with the bond forfeited to local education or health fund for violations.
- c) Assist national/provincial/district level GOI with developing a framework for the decentralization of the forest sector.

- d) Strengthen the capacity and motivation of a wider range of mid-level MoF staff that are unlikely to be changed to help promote adherence to CGI promises concerning sustainable forestry practices.
- e) Concentrate analyses on demonstrating financial incentives for sustainable forestry policy and practices and proper valuation of timber resources, particularly focusing on the need to maintain a permanent forest estate. This should be done in collaboration with the Economic SOT.
- f) Promote enforcement of existing regulations such as minimum dbh (tree diameter), number trees harvested per hectare, and the area set aside in concessions for maintaining a seed bank.
- g) Promote extending the length of concession contracts to encourage sustainable harvesting.
- h) Promote the removal of subsidies (both direct and indirect) to the logging and pulp industries.
- i) Support internalizing ecological, sociocultural, and health costs, etc. in collaboration with the Economic SOT.
- j) Make technical reports more accessible by translating them into policy briefs and present them orally to appropriate government officials.
- k) Reduce the NRM policy focus on certification and explore other market incentives for sustainable forestry practices in collaboration with the Economic SOT.

NRM II has provided high quality maps and technical assistance on fire fighting. Indonesia's forests continue to be at high risk, however, from large-scale fires due to degradation, continued conversion to plantations, and the threat of arson.

Recommendations:

- a) Promote non-timber sources of pulp fiber to reduce pressure on the forest estate.
- b) Promote reclamation of grasslands by communities through reforestation or the planting of pulp fiber alternatives, such as kenaf.
- c) Increase the financial incentives for best practices by communities and reduce the risk of arson by strengthening co-management of the forest estate.
- d) Capture GTZ fire management outcomes before the project ends and incorporate in publications and policy.
- e) Promote implementation of PP4/ 2001 regarding responsibilities of concession holders with respect to fire control and management.

National Parks

NRM II activities have had little impact on wide-spread illegal activities degrading terrestrial parks. Marine park interventions by NRM II have been more successful, primarily because interventions have directly benefited local communities (i.e., fish sanctuaries increase the adjacent catch).

Recommendations:

- a) Provide additional technical assistance and required equipment for rangers and community members.
- b) Promote the establishment of co-management systems for PAs, including joint patrols where appropriate.
- c) Promote the establishment of alternate conservation financing mechanisms, e.g. dive tags, DFNS, and trust funds.
- d) Promote the establishment of incentive systems for rangers.
- e) Keep trusted and familiar brokers as NRM II facilitators/advisors where possible.
- f) Support PA Management Councils, e.g., the Bunaken Management Council.
- g) Help develop the Marine Sports Associations for best practices at Bunaken National Park. Facilitate actions and programs such as diving safety, codes of conduct, promoting terrestrial

environmental activities, providing emergency or out-of-the-ordinary back-up for the Park, and dive operator (Blue/Green Star) environmental standing as model of private sector partner.

Spatial Planning

NRM II efforts have laid the groundwork for effective planning in some districts. Conflicting efforts by partners have led to some confusion, particularly in the area of community mapping. The presence of administrative boundaries on some maps has led to spurious claims and increased conflicts between communities in a few instances. The current emphasis on a bottom-up approach in determining land use plans will lead to increased forest fragmentation, as maps are created independent of one another.

Recommendations:

- a) Obtain agreement on broad scale landscape issues (e.g. forest connectivity), at least at the district level, prior to planning at finer scales.
- b) Promote mapping of extant land use as the first step, separate from future development plans and legal claims.
- c) Educate GOI, NGOs and communities on implications of land use decisions.
- d) Standardize best practices for community mapping. These practices should include deleting administrative boundaries from community maps, an emphasis on training communities to respect others rights, as well as their own, mechanisms to resolve disputes, and individual/community responsibilities. Community mapping should be viewed as an iterative process, with give and take between individuals, communities, local and provincial government.

Collaboration: NRM partners, other SOTs, other Donors

NRM Partners

Partners appear to often view one another as competitors. There is little feeling that various components are working towards joint objectives or goals. The methods and messages of partners occasionally conflict and cause confusion among stakeholders.

Recommendations:

- a) Bi-monthly partner meetings to discuss shared goals.
- b) Improve coordination through required joint workplanning at central and regional offices.
- c) Establish a budgetary setaside for shared activities.
- d) Make shared activities an indicator in Results Framework for reporting.
- e) Assign one individual the responsibility to act as coordinator of partners at each regional node and in Jakarta. Consider managing the NRM program through an IQC and "purchase" relevant expertise needed for the program from members of the IQC consortium.

Other SOTs

Decentralization, democratization, and natural resource governance are intimately intertwined in the Indonesian context. They cannot be addressed effectively independent of one another. The absence of a permanent regional presence by other SOTs is stretching NRM II's resources to the limit. The NRM II is forced, in essence, to meet not only its strategic objectives, but the objectives of other SOTs, in order to create an enabling environment.

Recommendations:

- a) Increase coordination between SOTs.
- b) Develop a unified strategy to maximize effectiveness.
- c) Improve coordination through required joint workplanning at central and regional offices.

- d) Establish a budgetary setaside for shared activities.
- e) Make shared activities an indicator in performance reviews for SOTs.
- f) Assign one individual as coordinator of SOTs at each regional node and Jakarta.
- g) Add coordination/cooperation to personnel evaluation as appropriate.

Other Donors

Both bi-lateral and multi-lateral donors are willing to cooperate and coordinate with NRM II in order to increase effectiveness. NRM II's strategies, activities, and geographic foci, however, are not well understood.

Recommendations:

- d) Increase understanding of NRM II's strategies, activities, and geographic foci through both formal and informal means of communication.
- e) Clarify role of partners versus the Mission to other donors (also to GOI).
- f) Help establish protocols for cooperation and coordination among the donor community.
- g) Establish and participate in a cross-sectoral donor's forum.

Gender Issues

Gender issues are not well integrated or addressed by the majority of NRM II activities, although there has been a good start. Individuals within partner organizations vary in their sensitivity and awareness of issues. As gender discrimination is institutionalized within Indonesia (e.g., religious and societal customs, the legal system), it is extremely difficult for NRM II to have a direct impact.

Recommendations:

- d) Training on gender issues for all staff of partner organizations.
- e) Incorporate gender issues into activity design.
- f) Promote appropriate behavior models.

Exit Strategies

An appropriate exit strategy needs to be developed for CRMP that is accepted by stakeholders. A transition strategy needs to be developed for EPIQ and international NGOs.

Recommendations:

- a) Reconsider CRMP's exit strategies in collaboration with stakeholders.
- b) Consider folding all NRM II activities (marine and terrestrial) into one umbrella project.
- c) Strengthen NRM II and other SOT's regional presence – consider a “one stop shopping” model perhaps associated with university.
- d) Create a small grants program that is tied to capacity building. Assign a mentor to East Kalimantan and North Sulawesi. Mentor second tier provinces from Jakarta.
- e) Provide universal support services, e.g., training, community mapping, reforestation, and awareness, through a competitive grants program for large NGOs or through contracts (see Annex E and IQC contract mechanism mentioned under NRM partners).