

EVALUATION OF THE INDONESIAN BIODIVERSITY FOUNDATION (IBF) PROJECT— KEHATI

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GLOSSARY

AD	Anggaran Dasar
APPC	Asia Pacific Philanthropy Consortium
BHS	Basic Human Services
BI	Bank Indonesia
BPMPPA	Biro Pengabdian Masyarakat Pondok Pesantren An-nuqayah
BR	Bio-region
CA	Cooperative Agreement
BOS	The Borneo Orangutan Survival Foundation
CBD	Convention on Biodiversity
CCFI	Coca-cola Foundation Indonesia
CO	community organizing
COREMAP	Coral Reef Management Program
CSU	Conservation Sustainable and Utilization
DFID	Departement for International Development
DIY	Daerah Istimewa Yogyakarta
DNS	Debt-for Nature-Swap
DPR	Dewan Perwakilan Rakyat
DPRD	Dewan Perwakilan Rakyat Daerah
FOS	Foundation of Success
GPS	Global Positioning System
IBF	Indonesian Biodiversity Foundation
INSIST	Indonesian Society for Social Transformation
Kabupaten	Gov. district, larger than a county or shire, below the provincial level
KEHATI	Keanekaragaman Hayati
KLH	Kantor Lingkungan Hidup
KPSD	Komunikasi dan Pengembangan Sumber Daya, Communication and Resources Development Program
KSM	Kelompok Swadaya Masyarakat
LFA	Logical Framework Analysis
LIPI	Lembaga Ilmu Pengetahuan Indonesia
LSM	Lembaga Swadaya Masyarakat
LW	Laiwangi Wanggameti
M & E	Monitoring & Evaluation
MIS	Management Information System
MoU	Memorandum of Understanding
MPP	Matriks Perencanaan Program
NGO	Non-governmental Organization
SO	Strategic Objective
SOW	Scope of Work
TA	Technical Assistant
TOT	Training of teachers
UGM	Gadjah Mada University
UNDANA	University of Nusa Cendana

UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UU	Undang-undang
WEHAB	Water, Energy, Health, Agriculture and Biodiversity
WI	Wetlands International
WRI	World Research Institute
WWF	World Wildlife Fund for Nature
YAKOMSU	Yayasan Komunitas Sungai
YAL	Yayasan Alam Lestari

EXECUTIVE SUMMARY

In the decade since its founding, KEHATI has established a nationwide reputation for leadership in Indonesia's biodiversity efforts. Formidable challenges faced KEHATI, both in translating the intrinsic complexity of biodiversity into practicable programs and in contesting nationwide environmental decline.

The evaluation team was mandated to examine 10 full years of KEHATI's development and the full range of its diverse activity. We deal with the origins and evolution of the organization (Ch. 1), its organization and operations (Ch. 2), biodiversity in the Indonesian context (Ch. 3) and financial and portfolio stewardship (Ch. 4). Team members also visited a number of projects in the field in gather information. Those case studies may be found in Appendix A.

While our findings are described to some extent in those sections of the report, we summarize them and draw conclusions in Ch. 5, followed by our recommendations in Ch. 6. To summarize key findings here:

We find that overall, the work of KEHATI has been impressive and successful. The team recognized no fewer than three central attributes leading to that success. They are rectitude, programmatic relevance, and a highly capable staff. Future leadership and strategic planning should pay special heed to the need to sustain and further foster these achievements.

Based on our findings, the evaluation team's conclusion is that KEHATI is evolving into an effective, independent foundation, capable of leading biodiversity program efforts into the foreseeable future. As such, it deserves to be launched anew in a configuration that will allow it to attain institutional and programmatic stature commensurate with the ambitions of its mission. This means, in the most immediate sense, that, to the extent legally permissible, the Cooperative Agreement between KEHATI and USAID/Jakarta is no longer necessary.

This does not mean that further US support for KEHATI should cease. To the contrary, the team is persuaded that KEHATI's new freedom will help substantially to amplify fundraising opportunities, including the opportunities afforded by a variety of USAID and other US government programs. However, the team also has concluded that KEHATI, especially its Board of Directors, needs to pursue much more vigorously multiple fundraising venues domestically and abroad.

KEHATI does have significant problems that must be rectified. Topics needing attention include:

- Organizational Identity
- Progress Indicators
- Strategic Planning
- Management Structure
- Financial Discipline
- Fundraising

Three specific recommendations stand out from all the others in importance to USAID/Indonesia:

1. USAID should not extend the Cooperative Agreement that expired in March 2005. It can reduce its purview over KEHATI to the statutorily required minimum and retain the endowment fund hereafter under the full responsibility of that organization.
2. KEHATI should assert, clarify, and promote its identity as a fully independent Indonesia biodiversity foundation. Elsewhere we have characterized this as a new *launching* of the organization. By this we mean that, independent of day-to-day USAID supervision, KEHATI should strive toward making a permanent place for itself in the forefront of Indonesian organizations seeking to preserve the nation's biodiversity.
3. KEHATI should deal with the problems and deficiencies cited by the evaluation team and highlighted throughout the report. These include bringing its programmatic aspirations into balance with its financial capabilities, making appropriate changes in its leadership and management structures, and working to secure additional sources of funding for its valuable mission.

These overarching recommendations are discussed in further detail in Chapter 6. In addition, some highly technical recommendations to USAID on the requirements and management of the KEHATI endowment are proposed in Chapter 4, dealing with financial aspects of the organizations.

With the midterm evaluation team of five years ago we share the view that KEHATI has a key role to play in protecting Indonesia's extraordinary biodiversity. This mission is even more critical today, and the present team affirms that KEHATI is likely to enjoy an illustrious future.

METHODOLOGY

APPROACH

This evaluation utilized a structured approach, whose aims were to:

- discover the enabling and disabling factors that contributed toward the success/failure of the KEHATI Programs.
- provide recommendations for improving current activities or for alternative courses of action based on sound findings and relevance to future KEHATI plans.

Methodology included the following elements:

- ***Desk Study/Literature review:*** review all relevant materials provided by KEHATI, USAID, local partners, NGOs, and other stakeholders. These materials were reviewed at the KEHATI offices, particularly ones that pertained to program documents about stated objectives, project/program duration, strategies and implementation, and donors' financial contributions.
- ***Interviews and Guidance in support of fact-finding activity:*** meet relevant project stakeholders (i.e., USAID BHS staff, relevant people in the regions, appointments assisted and contacts provided by KEHATI and local partner staff; and submit workplan to be approved by KEHATI and USAID, utilized as the basis for the team's evaluation criteria.
- ***Field Visits to sites identified by KEHATI:*** take into consideration the timing and logistics involved, and make sure that the team had exposure to varied levels of local stakeholders and partners (progress & involvement) under KEHATI projects/programs, emphasizing on quality over quantity.

TEAM COMPOSITION

The evaluation team comprised of four members:

- ▶ ***Roger Paget, PhD – Team Leader.*** Dr. Paget is a Southeast Asia specialist with decades of field experience in Indonesia and disciplinary specialties in organizational leadership, public administration, economic and political development, constitutionalism, and modern history.
- ▶ ***Raleigh Blouch – Biodiversity Specialist.*** Mr. Blouch has decades of biodiversity experience on several continents, including many years' employment and research in diverse sites of the Indonesian archipelago.
- ▶ ***Lia Juliani – Senior Social Scientist.*** Ms. Juliani is an experienced development specialist with international credentials employed by a range of US and international

NGOs. Her expertise is in the areas of program management, including aspects of program planning, mechanisms, and procedures; program budgeting; capacity building; and evaluation.

- ▶ **Richard Sutton – Financial Specialist.** Mr. Sutton has decades of experience in law, banking, investment portfolio management, and foundation formation and administration. Having worked on several continents, he was also a member of the evaluation team for the midterm review of KEHATI.

WORKPLAN

The schedule below is based on the evaluation team’s approach and reflects considerations explained above.

Activities	Dates
<i>Background reading (desk study)</i>	
• Washington, DC	4/1-4/17
• Jakarta	4/18-4/28
<i>Interviews with stakeholders</i>	
• Jakarta	4/20-5/3
• Jogjakarta and surrounding towns/districts	4/22-4/23
• Sumenep, Madura	4/23-4/24
• Waingapu & Kecamatan Kerera (Sumba)	4/22-4/25
• Banjarmasin (South Kalimantan); Buntok and Sungai Puning villages (Central Kalimantan)	4/22-4/25
<i>Team steps toward report writing</i>	
• Field notes	4/22-4/27
• Team discussions for draft presentation	4/30-5/3
• Draft report (preliminary findings and observations)	5/1-5/5
<i>Team presentation to KEHATI</i>	5/4
<i>Team presentation to USAID</i>	5/5
<i>Report submission</i>	
• First draft	5/9
• Final report	5/27

LIMITATIONS

KEHATI provided a room, a computer and a printer for the use of the evaluation team. Also lodged in the room in compartmentalized form were KEHATI publications and accumulations of years’ worth of myriad internal documents. The team formulated requests for basic information and KEHATI staff did their best to comply with team requests. Raleigh Blouch, team member, actually designed a basic data format and then orchestrated, with the cooperation of KEHATI staff, the assembling and integration of primary information; this continued nearly to the end of the in-country stay. Lia Juliani, another team member, guided KEHATI staff over a period of

several weeks, in the development of a basic flow chart to exhibit programmatic history. Fundamental documents, such as KEHATI's two strategic plans remained unavailable in electronic form, despite team requests and repeated assurances of impending delivery; ultimately, published versions had to be electronically scanned for inclusion as appendices in this report. The evaluation team received no prepared self-assessments by KEHATI, measuring the foundation's progress in addressing recommendations set forth in the midterm evaluation five years previously.

EVALUATION OF THE INDONESIAN BIODIVERSITY FOUNDATION (IBF) PROJECT— KEHATI



CHAPTER 1: INTRODUCTION

THE SETTING

The Indonesian Biodiversity Foundation (IBF), better known as KEHATI (Yayasan Keanekaragaman Hayati), is an effort to address environmental challenges and their societal consequences in the Republic of Indonesia. Few areas of the planet have been more severely impacted by the side effects of modernization, such as exploitation of natural resources, population explosion, mono-cropping, industrialization, pollution, urbanization and urban sprawl. In its decade or more of operation KEHATI has become one of Indonesia's most respected organizations in generating practical and integrated models of biotic conservation, recovery, recycling, community organizing, innovative agricultural practice, public education and advocacy, and legal protection. These models have been the fruit mainly of grants carefully calibrated to engender maximum local initiative, local energy, local buy-in, local responsibility and local accountability. The result frequently has rippled upward and outward with beneficial effect on larger numbers of people and broader regional scope.

The basic concept was simple. The United States, through USAID, funded an endowment for an Indonesian biodiversity foundation governed by an Indonesian Board of Directors. Annual income from the invested funds has constituted a pool which funds both operating expenses and a grants program. An office in Jakarta houses some two dozen core staff who manage the grants process and the diverse spectrum of KEHATI-related biodiversity activities throughout the archipelago. In the field, out across the 3000 mile span of the archipelago, partners (i.e., grant recipients), part-time and temporary staff, resource persons, and hundreds of project participants all extend KEHATI's reach and give life to the KEHATI mission.

A Cooperative Agreement (CA) between USAID and KEHATI has allowed ultimate American control over the investment funds and supervisory financial purview over the foundation. In practice, KEHATI has functioned almost entirely as an independent organization. The term of the Cooperative Agreement expired in March 2005.

TEN YEARS' DEVELOPMENT

While the general commitment of this foundation to biodiversity was clear from the outset, the meaning of the term, biodiversity, was anything but clear, and the ten-year history provides a lexicon in the myriad of concerns that it can legitimately span. No one spelled out initially a specific biodiversity definition or dictated a list of particular biodiversity dimensions within which the foundation should operate. Rather, the Indonesian founders engaged in two years of discovery and deliberation before constructing the first, 1998-2001, strategic plan. Meanwhile, reflecting the academic disciplines and backgrounds of the first two Executive of Directors, KEHATI made very narrowly defined species-maintenance grants applying to projects within half a dozen national parks.

By the time the first strategic plan emerged, the narrow focus of the initial grants had become a liability, and the awareness in KEHATI of the vastness of potential biodiversity terrain generated growth both in the number of grants and in the variety of applications. While biological and botanical science still was part of many grants, the exigency of human suffering caused by ecological decline now predominantly drove KEHATI decisions. Grants jumped from eight to one hundred ninety-eight.

All of this activity was quite justifiable under the 1998-2001 Strategic Plan—mainly because that plan reflected the range of what might be construed as biodiversity.

Another crucial potential pitfall of KEHATI's development became reality when Wall Street suddenly plunged and the value of KEHATI's portfolio shrank. Suddenly, in the midst of grant proliferation and staff efforts to manage the confusion of rapid programmatic growth, the vital flow of annual endowment income was drastically reduced.

Overnight, grant-making withered—and a new strategic plan, 2002-2007, was developed. In effect, a changed KEHATI appeared. Nomenclature changed. Job titles changed. Grant procedures changed. The new mantra might have been called *slow-and-steady*, in the sense that now a descriptive rationalization was imposed—including biodiversity geographic regions and coordinated efforts to enhance cooperative reinforcement among project purposes. Community organizing would strengthen capacity building. Recycling would strengthen species maintenance. Public advocacy would strengthen enforcement of environmental laws. Perhaps most important, KEHATI recognized the importance of sustained modeling and the need to support programs that often progress gradually and cumulatively over a period of years. The results have been impressive indeed.

THE PRESENT

Because the change dynamic has been so rapid and driven by financial exigency more than by strategic plans or annual objectives, the profile of KEHATI activity at any given moment is hard to identify clearly. At one level of analysis this can be seen as reflecting a reasonable flexibility, seen otherwise it may suggest a need for more programmatic focus.

In the absence of a list of currently active programs, the evaluation team requested this information. KEHATI promptly assembled a list. The total number of *bio-region* programs was eleven, and the number of *issue* programs was fourteen. Those figures that seemed to represent a

program portfolio dramatically smaller than was displayed in other sources, such as end-of-year reports, strategic plans, interim plans, and website. Team inquiries yielded complex explanations, but the net impression remained—that the correspondence between documentation and reality has been consistently different. (Major team effort went into constructing usable matrix information; see Appendix F.)

Similarly, rapidly changing program categories, application regimes, geographic divisions, project descriptors, internal office functions, job titles, etc., alter so frequently that KEHATI's own personnel have difficulties keeping up.

Staff readily concede this problem, but do not see it as serious. In the field, however, where KEHATI's partners prevail, an image of confusion seems, among some observers, to undermine confidence and clear comprehension of KEHATI's direction and preferences.

The fact remains, KEHATI is a success story—measured against other organizations' efforts, measured against its strategic plan to root its projects in local-level community organization and empowerment, and measured against the mission to get off the ground a national effort of environmental and human rehabilitation.

CHAPTER 2: KEHATI: INSTITUTION AND OPERATIONS

In this chapter the Team describes the institution that is KEHATI today, its evolution over time, and how it has implemented its program in conjunction with its local partners throughout Indonesia.

EVOLUTION OF STRATEGIC OBJECTIVES: 1995 - 2007

Established in 1994—marked by the signing of a MoU between USAID and KEHATI—the first two years of KEHATI’s existence were focused on setting up the organizational structure, mechanism, and Board. This was a time when USAID was directly, intensively and intimately involved with KEHATI and in the various multi-stakeholder consultations in the country. Upon completion of this extensive exercise, KEHATI began rapidly to promote its mandate as a grant making organization.

Over time, however, KEHATI has grown and evolved to reflect lessons learned and to address emerging biodiversity and environmental issues in Indonesia. This evolution can be characterized as a metamorphosis in Strategic Objectives (SO), which can be grouped into the following periods:

Period I: 1995-1998 based on Cooperative Agreement between USAID and KEHATI

The overall strategic objective during this period was biodiversity conservation at the level of species maintenance. Other objectives included cooperation among stakeholders, and improved capabilities of the local communities in particular and the people in general, to implement conservation and utilization of biodiversity in a fair, equitable and sustainable manner. In this period, KEHATI’s role was that of purely grant-making organization, providing research grants to institutions and NGOs.

This period was characterized by wide solicitation of proposals throughout the country, with the objective of obtaining short term partnership with local organizations. The approach used was a repeated project cycle in targeted provincial focus.

Period II: 1999-2002 based on Strategic Plan 1999-2002

In this period, the focus on biodiversity conservation shifted *from species conservation to community based biodiversity conservation* efforts. This was typified by activities targeted at strengthening awareness, cooperative networking and empowerment of stakeholders toward community based biodiversity conservation efforts. This shift in focus also changed the work mechanism, i.e., from purely providing grants, to what KEHATI’s staff now referred to as “Grant +” (*Grant Plus*). In practice, this meant that KEHATI played a role as a facilitator, i.e., providing financial assistance, technical assistance, education, and consultancies for local partners. In addition to this, KEHATI also started to mobilize financial resources (to meet USAID requirements stipulated in the CA), and to formulate policy development on philanthropy that would support KEHATI’s sustainability.

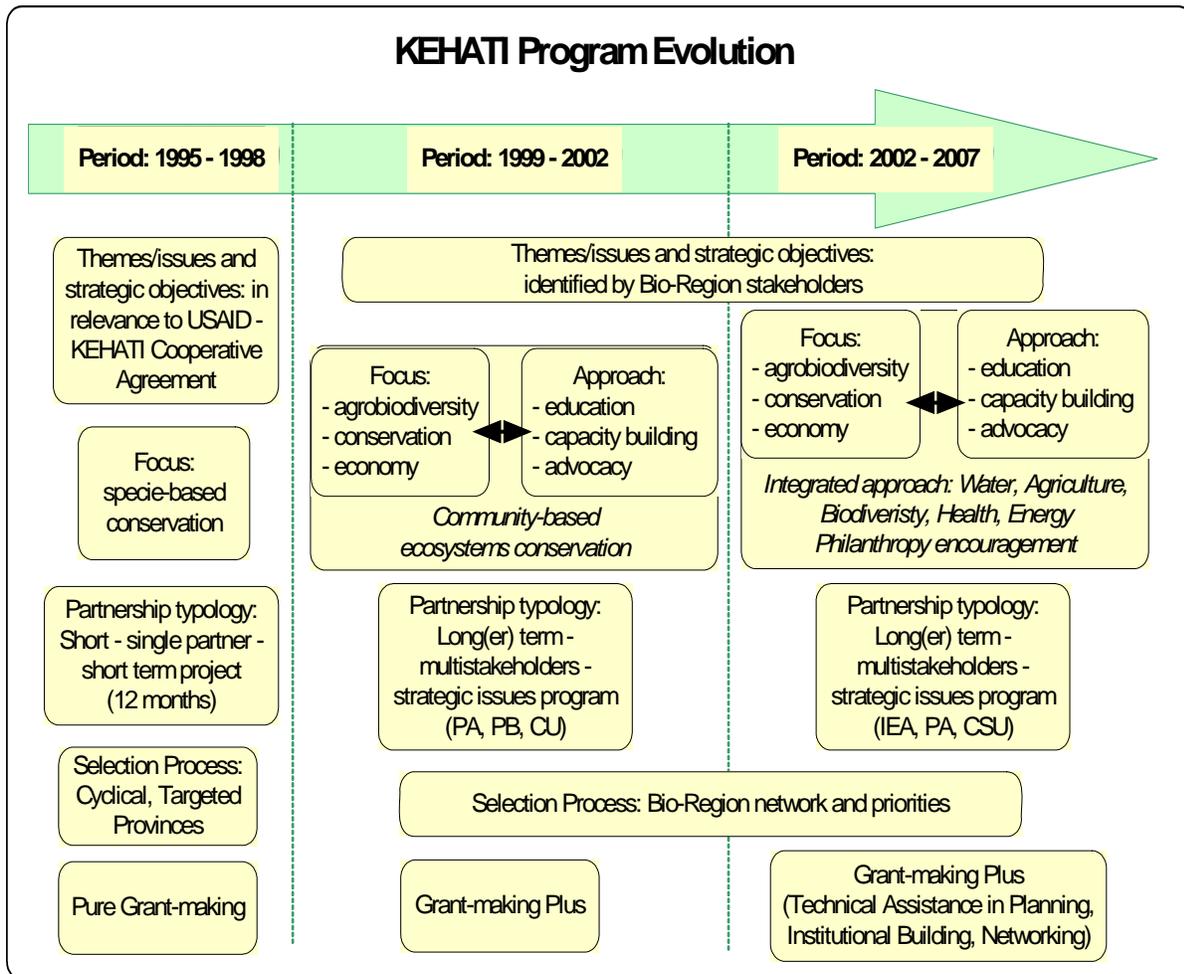
This period was characterized by focusing on integrated conservation management (with a slant toward local economic development), and by continuing to synergize with KEHATI’s successful

local partners from the previous period. The strategic issues to be addressed in this period were also chosen from previous projects, e.g., gene-pool conservation, eco-tourism in Java and Bali, community based forest resources management in Kalimantan, and coastal and small islands resources management in Papua (COREMAP program). New sites were selected, with one of the criteria being threatened biodiversity resulting from unsustainable use (or overuse) of natural resources around protected areas (e.g., Arfak in Papua, Simpangtilu in West Java, Meru Betiri in East Java and Laiwanggi-Wanggameti in Sumba).

Period III: 2002-2007 based on Strategic Plan 2002-2007

The current SO is very similar to the previous period, with additional emphasis on public advocacy toward community based biodiversity conservation.

Again, this was another shift to move even further away from species conservation, and this time with a focus on policy advocacy and sustainable use of community-based natural resources management. KEHATI also worked with an ecosystem approach.



In brief, KEHATI’s staff explained that Period I was a period of selection of strategic issues and strategic partners. These partners were then planned to work in synergy with KEHATI in a more

integrated approach. Period III focused more on ensuring the communities' capability to implement certain models of natural resources management in ways most appropriate for it.

In analyzing the evolution of KEHATI's SOs, the evaluation team believed that there were both external and internal factors that affected KEHATI's metamorphoses, some of which are illustrated in the table below:

<i>External</i>	<ul style="list-style-type: none"> • prolonged monetary and economic crisis in Indonesia (1997 - 2000), which meant that with the depreciation of Rupiahs, KEHATI had more money than it could spend, • implementation of decentralization (Local Autonomy Law No 22/1999), which enabled local government to establish models of community based resources management, • post 9/11 capital market down-turn in the US that drastically affected (decreased) KEHATI's endowment fund in 2000, which also marked the point of an imminent new change, • issuance of Indonesian Foundation Law (UU 16/2001) which became the only law that governs foundations in Indonesia, and which clearly outlines the Board structure and roles and the clear separation of Boards and Management
<i>Internal</i>	<ul style="list-style-type: none"> • staff and Board's response to increased external pressures (see above points) • lessons learned: too many small, short term projects, having no particular focus, no linkages among projects, and no synergy of program activities, giving way to <ul style="list-style-type: none"> ◦ Meet the need to have a more selective and focused program, in relation to the merging issues and the human capacity of the implementing NGO partners ◦ Establish more effective and efficient programs, especially with the reduction of the amount of endowment fund • USAID's requirement to increase the endowment fund through fundraising to meet the US\$6.5 million matching fund

Each of the above factors contributed significantly to the metamorphosis of KEHATI over time. However, the issuance of UU 16/2001 (and its enactment in 2002) marked a cornerstone in KEHATI's life. This was the only law that regulates non-profit foundations in Indonesia. Under this law, a clear definition of roles and functions is established among (voluntary) Boards, and between the Boards and the Management Unit of a foundation. This law was later revised (UU 32/2004) so that Board members are now allowed to be paid honoraria or salaries. In adhering to the foundation law, the Board's *ad-hoc* interventions in the management of KEHATI appeared to diminish drastically.

MANAGEMENT POLICY AND IMPLEMENTATION

Despite the name and references to Bio-regions that give the perception of decentralized office operations, KEHATI does not have any field offices in regions. The decision not to open actual field offices was based both on local partners' inputs as well as on KEHATI's own rationale against expending funds on high operational costs. Instead, what the local partners wanted to see were more technical assistance professionals selected locally or regionally who were capable of helping local partners in networking and resource mobilization. So, in fact, a focal point in the area would liaise with the Jakarta office, and operate without an office, thus incurring very little operational cost.

This need was answered by KEHATI through the provision of SIMPUL (node, or a network center, that can be likened to a TA in finance and program coordination) in the three bio-regions (Simpul Jawa-Bali-Madura, Simpul Kalimantan, Simpul Papua). The nomenclature, however,

could be misleading, as it might be more accurately read as *region* as opposed to *bio-region*. The areas described do not represent biotic regions (grouping Kalimantan and Sulawesi, for instance) but rather, reflect the administrative aspects of clustering local partners in an area.

The current *Simpul* practice in each bio-region maintained by KEHATI is not without its challenges, as illustrated in the box below:

Role	Challenge(s)
Serving as a focal point for the “cluster” of local pattern in the area, in addition to encouraging them to network and to facilitate cross-fertilization of shared learnings amongst the local partners.	<ul style="list-style-type: none"> • Lack of trust by the local partners due to unclear job description of both staff (who are on KEHATI’s payroll) in the bio-region. • No clear strategy on how to create a need for such a node, nor for utilization of a shared learning forum.
<p>Intended to introduce the concept of decentralized institutionalized capacity building efforts, and to defer substantive decisions made in Jakarta whenever appropriate, through:</p> <ul style="list-style-type: none"> • the local node coordinator, whose function is to provide management advice, undertake periodical monitoring and evaluation activities, and assess the need to improve the local partners’ capacity, • the local node financial staff, whose function is to coordinate the local partners’ financial technical assistance (such as preparing reports, answering book-keeping questions, and so forth). 	

Currently, KEHATI is using the *Simpul Kalimantan* as a *pilot project*. To start this, the coordinator was initially appointed as a Technical Assistant whose role was to provide inputs to the local partners’ program approach, and to monitor and evaluate exercises. In conjunction with this local (or bio-region) capacity building effort, KEHATI was also implementing a philanthropy approach to further support the local partners’ needs of long-term funding and support from donors. This was done by introducing them to local private sectors which could assist them in financing their programs. Should this experimentation be successful, KEHATI plans to replicate and adopt this approach in other bio-regions in the future.

KEHATI IDENTITY

The preeminent question when one closely observes KEHATI is, *What does KEHATI do?* Is it a funding agency (grantor)? Is it a facilitator (i.e., providing Technical Assistance to local partners)? Or is it an Implementer (e.g., undertaking advocacy efforts to support environmental regulation/law)? Suffice to say that the current SO does not lend itself to providing a clear answer to these questions. Furthermore, the current *mapping of foci areas* of KEHATI, as reflected in its portfolio of local partners’ activities, further blurs the linkages in the evolution of the SOs.

Currently, KEHATI’s supported activities range from protected areas and local natural resources management in various ecosystems, such as semi-arid in Sumba, agro-biodiversity in Jogja, Madura and Bali, coastal and small islands in Derawan and Papua. How they are linked, in terms of significant importance and contribution toward achieving KEHATI’s Strategic Objectives (as well as vision and mission), merits further discussion and clarification.

Based upon intensive discussions with KEHATI staff, they see themselves as a *Grant-Making Plus* organization, i.e., that they provide financial assistance to their local partners, as well as

provide some technical assistance on an *ad hoc* (or planned) basis. This is not an uncommon approach amongst funding agencies/NGOs in Indonesia. It has been practiced in at least two other funding organizations, i.e., The Asia Foundation (an international NGO, funded mainly by the US Congress/USAID), and TIFA Foundation (a national NGO, with funding mainly from George Soros' Open Society Institute).

This *Grant Plus* path was deliberately chosen by KEHATI with the intention of implementing a *deep-and-intensive* as opposed to *wide-and-superficial* approach, i.e., fewer partners for each set of program/strategic issues but with focused attention to each network of partners as a means to ensure significant *footprints* in terms of outputs, outcomes, and impact. This approach was also a direct result of a participatory planning process with local partners, in which specific needs of local partners were addressed appropriately. Subsequently, these moves would contribute toward the enhancement of local partner and KEHATI achievements.

Despite KEHATI's direct involvement in the past in advocacy work (e.g., assistance in the formulation of draft environmental law at the parliament), KEHATI is not known as an implementer or advocacy NGO by the partners. On the other hand, it is also not known for implementation of biodiversity action research, as none of

"We can see KEHATI as an implementer, as it would increase their clout and confirm their strategic role in efforts toward biodiversity conservation"
Technical Assistance Consultants

this in the past was done directly by KEHATI's staff or consultants. KEHATI is, however, beginning to gain popularity as a *facilitator*—which is quite consistent with the term, *Grant-making Plus*. The provision of technical assistance to local partners, particularly in spheres of community organizing, local organization management (re administration, finance, program development, report writing, proposal development, and so forth), and some aspects of community-based conservation issues (including sustainable local economic development, agro-business, eco-tourism) have contributed mightily to the advancement of KEHATI programs.

As a *facilitator*, KEHATI was able to provide technical assistance to local partners, by, a) sending their staff for training in organizational management (though this was mostly to meet KEHATI's own administrative needs, and b) recruiting external consultants to provide transfer of technical skills needed by the local partners, for example:

- INSIST, Yogyakarta, for Capacity building and Community Empowerment, including proposal writing, program development/strategic planning.
- PUSBANGKOP, Jakarta, (Pusat Pengembangan Keuangan untuk Koperasi dan LSM) for financial reporting and program administration/management.
- BUANA KATHULISTIWA, Jakarta, for participatory mapping and GIS.
- YAYASAN TERANGI, Jakarta, for marine biology monitoring.
- YAYASAN MITRA TANI, Yogyakarta, for participatory agro-business planning.

KEHATI's own staff feel that it is best for KEHATI to act as a *grantor* and *facilitator* although they should not be discouraged from exploring additional innovative activities in Indonesia. Indonesia has very few grant-making institutions, and KEHATI has been one of the few which devotes substantial effort as a facilitator.

Internally, KEHATI also recognizes the need to *upgrade* its staff by providing professional development opportunities. So far, a number of program staff have taken short courses

(nationally and internationally) and sought graduate program scholarships that would help them—and thus KEHATI—improve performance.

CORE COMPETENCY

It is not surprising, therefore, to observe that KEHATI’s current core competency lies in local institutional building and community organizing skills. This is far removed from the initial focus on the species-based biodiversity conservation mission, but it is nonetheless crucial in terms of helping local organizations which share common goals with KEHATI in this area.

In at least two sites visited, Yogya and Madura, the recognition of KEHATI’s core expertise in organizational management and community organizing was explicitly mentioned by the local counterparts. With regard to expertise and networks on species and ecosystem biodiversity, as well as links to local government mediators/facilitators (needed in addressing institutional issues), the team felt that—in general—these dimensions of KEHATI’s work currently are either weak or non-existent. This again affirmed that KEHATI’s stronger role at present is as a grant making organization, as opposed to implementer of biodiversity conservation efforts.

Having said that, KEHATI’s *Grant-making Plus* approach has shown a concerted effort toward building credibility as a *Facilitator Plus* toward biodiversity conservation in Indonesia. This is done through outsourcing its Technical Assistance (TAs) to external consultants (independent as well as institutional). This is done, a) on an ad-hoc basis, which translates into *as requested by local partners*, b) through incorporation into local partners’ grant budgets, or c) by budgeting done separately within KEHATI’s workplan, as a means to anticipate or promote skills to address particular strategic issues otherwise not addressed by the local partners.

The box below illustrates some of KEHATI’s current strengths and weaknesses that support the above arguments in favor of the role as facilitator as opposed to that of implementer:

Strengths	<ul style="list-style-type: none"> • People-skills and community organizing: improving capacity, promoting internalized biodiversity values (attitude change), fundraising activities (i.e., to support additional activities not covered by KEHATI’s own funds) for program sustainability. • Network and clout on environmental policy: ability to provide inputs toward policy support on sustaining biodiversity management through government regulations. • The name KEHATI and Emil Salim were synonymous, which helped acceptance by their stakeholders.
Weaknesses	<ul style="list-style-type: none"> • The concept of biodiversity embraced by KEHATI appears to have been shifting constantly, gradually blurring KEHATI’s identity as focused on biodiversity. In the first stage (1995-1998), the biodiversity focus was generically derived from CBD (Convention on Bio Diversity) i.e., ecosystems, species and genetics. The second SP moved away from species and genetics. The third SP, even appeared to have moved further away, although a limited number of local partners still work on ecosystem-based biodiversity conservation. • Staff’s technical expertise on biodiversity appears to be weak, and the network of biodiversity scientists has also weakened as a result of the general move away from species conservation. • Fundraising in terms of large donations to support endowment funds is very weak, despite the talented staff currently working in this department

Another very important rationale for KEHATI not going forward as an *implementer* is that for a country as vast and diverse as Indonesia, the organization believes that to be an implementer of biodiversity conservation activities, substantially larger funds than it currently has would be needed. KEHATI at present simply does not have the requisite financial capacity for such ambitions.

RESULTS FRAMEWORK: PERFORMANCE INDICATORS (OUTPUTS, OUTCOMES, IMPACT)

Both KEHATI and its local partners have based their work on an annual workplan (also commonly known as Logical Framework Analysis, or for the local partners, *Matriks Perencanaan Program*, MPP). Unfortunately, both KEHATI and its local partners had difficulty articulating success indicators to the evaluation team. To the evaluators, this raised a red flag about KEHATI's lack of clear indicators and therefore the apparent lack of understanding of the definition and importance of success indicators (or benchmarks). It was also apparent that organization had put more effort and energy into *process* as opposed to *output/outcome/impact* indicators. To further loosen the grasp, some of what were claimed as indicators (quantitative and qualitative) were for targeted outcomes, skipping outputs altogether. It was not surprising, therefore, to encounter confusion in the field as well as in the office, where unclear descriptions of indicators can be traced back to KEHATI.

With the absence of indicators of project or program success, all that is left to analyze is the project completion and grants disbursement as indicators of KEHATI's achievements. Even then, this was not an easy task, as there has been no serious effort to integrate the database on local partners to date, in a format conducive to multiple measures of review and analysis. Instead, indicators that illustrate project/programs outcomes appear to be *ad hoc* in nature. Lack of standard data, such as duration of grant period, total grant funds, matching funds (from in-kind contribution as well from other donors), subject areas, sub-district areas (if applicable), number of target villages (or farmers, or schools), level of income, areas covered, and so forth, have not been recorded by KEHATI in any systematic manner. Therefore, until evaluators pressed staff to come up with some of these data, it was difficult to assemble solid evidence for such key items as percentages/rates of achievement (plans vs implementation/outputs) year by year (see Appendix F).

KEHATI's statement, "Grantees' outcomes contribute toward KEHATI's output; they become KEHATI's portfolios," again shows that the term, "indicators", is not clearly understood either by KEHATI or by local partners.

On the other hand, another unit or division of KEHATI's office, the CRD (Communications and Resources Development [Department]), opted to set indicators—as a benchmark for their performance—that appear to be somewhat clearer than those used by the program units of the organization.

KEHATI's statement, *Grantees outcomes contribute toward KEHATI's output; they become KEHATI's portfolios*, again shows that the term, *indicators*, is not clearly understood either by KEHATI or by local partners. That statement alone would give the impression that local partners are objects as opposed to subjects of KEHATI's very existence, despite the elaborate multi-stakeholder-multilevel planning process illustrated above (by KEHATI).

The box below provides a glimpse of some of the contributing factors that define KEHATI’s performance record:

<i>Enabling</i>	<p><i>Internally (within KEHATI and its local partners organizations)</i></p> <ul style="list-style-type: none"> • Most of the current targeted areas for new programs had existing or on-going programs (5 out of 6 area-based, multi years programs). • Most of the grantees claimed to have improved project and financial management skills, thanks to Technical Assistance from KEHATI’s (direct and outsourced). • Renewed courage and belief that local communities have the ability and freedom to respond to natural resources management issues locally and appropriately. • Renewed spirit and courage to implement a participatory multi-sector planning approach, and, subsequently, increase their transparent and accountable local village planning process. <p><i>Externally (outside the confines of KEHATI and its local counterparts)</i></p> <ul style="list-style-type: none"> • Political constellation at the local government level, which allowed freedom to exercise innovative ideas for all levels of the community • New initiatives recognized and encouraged to include components of environmental education in the local elementary school curriculum.
<i>Disabling</i>	<p><i>Internally (within KEHATI and its local partner organizations)</i></p> <ul style="list-style-type: none"> • Limited capacity of local partners, and/or the project introduced a new initiative not appropriate for the local communities. • No or inadequate monitoring-evaluation system with clear performance indicators in place. • Non-use of the Bio-regionnetwork as a shared learning forum. • Poor design of community empowerment strategy for protected or conservation area (terrestrial), and in finding alternative resources outside the conservation area (within 3 years). • Weak information packaging and dissemination of results to other NGOs/CBOs. <p><i>Externally (outside the confines of KEHATI and its local counterparts)</i></p> <ul style="list-style-type: none"> • Limited local government recognition of the local NGOs, which poses a serious challenge in formulating advocacy efforts at the local government level. • Weak collaboration among NGO, community, and conservation agency. • Drastically declined funding capacity due to the 9/11 tragedy in the US, whereas longterm commitments have been built with KEHATI’s local partners. <p>Overburdened local partners due to additional partnerships with other donors—as a direct positive result of KEHATI’s collaboration—became counter-productive for the local partners</p>

LOCAL PARTNERS’ SUSTAINABILITY AND THEIR PROGRAMS’ REPLICABILITY

KEHATI’s support for a long-term partnership reflected its commitment toward institutional and program activities sustainability. The rationale was that support for the sustainability of the organization—either directly through KEHATI’s funding or through other sources of funds—would ensure program replicability. However, such efforts are not without risks, as was partly illustrated in the box above. Thus, KEHATI’s efforts to alleviate the risks have focused on:

1. Assisting local partners to promote and develop local philanthropy in their regions, thus expanding funding sources locally while reducing dependence on KEHATI.

2. Strengthening the institutional capacity (management, mostly, and community organizing skills) that may enable KEHATI to provide better *services* to the community, as well as to attract other donors to provide additional funding for the local partners.

It should be remembered however, that because benchmarks or indicators are not clear, statistics on replicability (as an output as well as outcome of project activities) are difficult to ascertain at this stage. Reports on local partners' abilities to replicate and expand their program activities to non-target areas, from the team's point of view, became anecdotal as opposed to a trend evidenced by statistics.

FOOTPRINTS AND THEIR SIGNIFICANCE

Evidenced and verifiable footprints—or legacy—of KEHATI, through local partners were not easily identifiable for multiple reasons, including: a) no baseline data were available to assist in the analysis; b) clear indicators of project outcomes and impact were absent; c) only limited interactions between the evaluators and KEHATI's stakeholders were possible; and d) the majority of KEHATI's local partners were not *stand alone* projects where KEHATI was the only funder.

However, as an illustration, the following were examples of some of the footprints volunteered by KEHATI's staff:

At the local community level:

- Increased organizing and planning capacity (local community group management)
- Increased awareness on biodiversity conservation issues
- Improvements in local natural resources management
- Increased local economic opportunities using local resources

At the local organization partner level (NGOs, academic institutions, etc.):

- Increased project and financial management capacity
- Increased number of NGOs working on biodiversity conservation in an integrated approach
- Networks were established among various NGOs and collaborations of NGOs and scientists
- Increased number of scientists/researchers working on community based biodiversity conservation management
- Increased instances of applied participatory research
- Increased local NGO popular publications based on scientific research
- Increased inquiries on corporate social responsibility (CSR), indicated by staff from large corporations seeking advice on programs related to community development, environmental protection, etc.

At the local and national government level

- Support in community-based natural resources management (SK Bupati, Perdes)

- Increased number of NGOs and governmental offices included in the decision making processes (national and local), e.g., Berau committee, National Committee, DPR, DPRD, MPR, etc.

Our case studies found specific examples of these achievements:

- Community organizers at village level, who gained their facilitation skills from KEHATI, have graduated to become Kecamatan (sub-district) level facilitators (in Yogya, Madura, Central Kalimantan).
- Participatory village development planning model has been implemented in Nangga village, East Sumba.
- New leadership and strong commitment/belief in community based natural resources management by village Head in Biak, has been recognized by the government, resulting in the Kalpataru award given to him.
- New initiatives on food security programs has been implemented in Yogya and Madura.

RESPONSE TO CURRENT AND STRATEGIC ISSUES

The changes in KEHATI's strategic objectives over time, to a certain extent also reflected its mode of response to emerging dynamics, development trends and environmental issues nationally (which also may have been driven by global or international factors).

Over time, KEHATI has undergone adjustments, reallocation of priorities, re-focusing, and the addition of new program activities. One factor contributing to these adjustments in the period prior to the 2002 - 2007's SO was that there appeared to have been more room for maneuver then. Monitoring and Evaluation systems were also inadequate in places that could be used to gauge changes or performance against plans. Thus, strong arguments or pressure from local partners and other interventions appear to have steered KEHATI into addressing emerging issues on an *ad hoc* basis, e.g., by providing new grants that would address those issues. While such *ad hoc* interventions and shifts in focus may now have diminished, KEHATI still does tend to respond to emerging and strategic issues by providing additional resources outside the current grants, e.g., through TA, workshops, or the seeding of small grants.

MONITORING AND EVALUATION

KEHATI encouraged its local partners to be transparent in the preparatory period and participatory program planning process, which translated into KEHATI's staff being in the field to observe the process and provide input/clarification when needed. KEHATI conducts a minimum of two visits per year for each area (for programmatic/multi years projects), usually arranged during the annual evaluation and planning and midyear evaluation periods. Time spent in the field for each visit is usually one week. This appears to be more of a qualitative assignment, with the intention of ensuring that projects/programs are still underway and ongoing.

CHAPTER 3: BIODIVERSITY DIMENSIONS

INDONESIA'S BIODIVERSITY

For convenience of discussion, biodiversity conservation is often considered at three levels. Conservation of genetic diversity aims to maintain gene pools within species, for example, by conserving the wild relatives of domesticated plants or animals. At a higher level, species diversity can be conserved by identifying threatened or endangered taxa and implementing management plans to prevent their extinction. These management efforts can be either *ex situ*, in seed banks, zoos, or botanical gardens, or *in situ*, in the species' native habitat. Finally, biodiversity can be conserved by maintaining representative examples of healthy natural ecosystems. This has the advantage of simultaneously conserving an array of plants and animals in a self-perpetuating system, and is the most efficient way to maintain biodiversity.

When numbers of species and rates of endemism are considered, Indonesia ranks as the second richest country in biodiversity, following only Brazil. So far there have been recorded more than 1,500 species of birds, 515 mammal species, 1,400 species of freshwater fish, and 37,000 species of vascular plants. This profusion of life is supported by a range of forest, wetland, coastal, and marine ecosystems that play a pivotal role in supporting economic development, the livelihoods of rural people, and the provision of environmental services.

When numbers of species and rates of endemism are considered, Indonesia ranks as the second richest country in biodiversity, following only Brazil. However, these irreplaceable biological resources are being subjected to increasing threats, according to the World Bank.

These irreplaceable biological resources are subjected to increasing threats, the most thoroughly documented of which has been forest loss. Because Indonesia's 90-100 million hectares of forest have not been sustainably and equitably managed, over the last two decades between one and two million hectares have been lost each year through land degradation and the expansion of oil palm, coffee, cocoa, rubber, and timber plantations¹. Marine ecosystems are equally threatened, and coral reefs are being degraded and destroyed at an alarming rate.

KEHATI'S BIODIVERSITY CONSERVATION STRATEGIES

KEHATI clearly faces a formidable challenge as *it aims to promote conservation efforts as well as the sustainable use of Indonesia's biological resources by way of funding of biodiversity conservation activities*². To achieve progress toward this expansive but worthy goal will require that the organization remain focused on those elements of biodiversity conservation that are most urgent and where it can have the greatest impact.

The concise statement of KEHATI's aims in the previous paragraph was made upon the departure of Dr. Emil Salim, the distinguished first Chairperson of the foundation. Unfortunately such clarity of purpose has not always been evident in KEHATI's planning documents. The

¹ World Bank. 2005. Indonesia Policy Briefs, Ideas for the Future: Managing Forests for All.

² KEHATI Executive Board-Board of Trustees. 2000. The Final Note. Published on the departure of the first Chairperson of the Board, Prof. Emil Salim.

weaknesses of the 1998-2002 Strategic Plan (Appendix D) and the 2002-2007 Strategic Plan (Appendix E) are discussed elsewhere in this report.

For purposes of this chapter, it will suffice to say that the strategies do not provide clear guidance for selecting and planning areas in which grant-making should be concentrated in order most efficiently to use KEHATI's limited funds for biodiversity conservation. In fact they create confusion and cause a loss of focus on biodiversity conservation by attempting to include too many peripheral issues that may be of interest to certain stakeholders, but have little relevance to what should be KEHATI's main purpose.

The danger here is that KEHATI will drift away from being a conservation based organization toward being an NGO focused primarily on development issues. Indeed a recent document titled *Evolusi Program KEHATI* lists the strategic issues for 2002-2005 identified by partners in the bio-regions as agrobiodiversity, education, capacity building, advocacy, economy, conservation, philanthropy, water, health, and energy. There is no reason to believe that this is official policy adopted by the organization, but it illustrates the kind of problems that will be confronted by an organization allowed to drift for lack of a strong strategy and action plan.

RELEVANCE OF KEHATI'S ACTIVITIES TO BIODIVERSITY CONSERVATION

Despite the difficulties imposed by operating under unclear and frequently changing strategies, KEHATI has been able to fund and assist a wide range of successful projects that are contributing to biodiversity conservation throughout the country. This speaks well for the diligence and competence of KEHATI staff at all levels of the organization. At the request of the evaluation team the KEHATI staff put together a summary of data and subjective evaluations of all active and completed projects funded since 1998 (Appendix F). These tables enabled evaluators to gain a general understanding of the range of programs, and pointed out areas where more in-depth information needed to be sought.

Despite the difficulties imposed by operating under unclear and frequently changing strategies, KEHATI has been able to fund and assist a wide range of successful projects that are contributing to biodiversity conservation throughout the country. This speaks well for the diligence and competence of KEHATI staff at all levels of the organization.

It is possible to justify almost any activity as supporting biodiversity conservation at some level, and this certainly applies to all of KEHATI's grant-making. However to judge how well KEHATI focuses on its stated mission of conserving Indonesia's biodiversity it is instructive to make comparisons between two broad groups of current and recently completed projects: those most directly relevant to biodiversity conservation, and those less so. Although imprecise, this classification can be made using the information presented in Appendix F. For completed projects initiated since 1998, those tied to what was then strategic objective 3 are considered most directly relevant to biodiversity conservation. For projects still active in 2005, those related to the current strategic objective 2 are considered most relevant.

Some findings and observations resulting from this basic analysis include:

- ▶ The total number of completed and ongoing projects covered by these data is 52, for which grants totaling Rp 23,694 million have been made. Rp 10,998 million (46%) have

been spent on those 13 projects most directly related to biodiversity conservation. Activities in other strategic areas such as public policy, research, and information and education are certainly worthy of KEHATI assistance, and can be a vital part of a strategy to conserve biodiversity. However, the grant-making selection process should whenever possible favor such projects that enhance and support activities directly focused on biodiversity conservation. Less than half of funding now goes to projects focused on biodiversity conservation, and it would be advisable to increase this proportion as opportunities arise.

- ▶ Of the 13 projects funded since 1998 with the direct objective of biodiversity conservation, eight are still active with an average duration of over five years. KEHATI understands that it is very often necessary to have long term commitments for biodiversity conservation initiatives to succeed. This issue was raised in the 2000 Evaluation Report, which suggested that the three-year maximum duration of conservation grants should be extended, and it is heartening to see that this advice was heeded.
- ▶ Eleven of the 13 projects (85%) deal primarily with biodiversity conservation at the ecosystem level. This is in line with the theme of the Indonesian Biodiversity Strategy and Action Plan 2003-2020 published in 2003. The evaluation team agrees that the heavy focus on ecosystems is the most efficient way for KEHATI to conserve and sustainably utilize meaningful levels of biodiversity.
- ▶ KEHATI support for academic and research institutions has decreased dramatically since its early years. Of the 52 projects considered, only three have major involvement of universities in applied conservation work, and the funding they have received so far amounts to only 14% of grants given since 1998. Funding levels for this type of assistance should be increased. Such grants encourage university researchers to get involved in applied biodiversity research and can have long term impacts by increasing the number of professionals in the field.

In summary, it is a positive development that KEHATI projects directly related to conservation of biodiversity are becoming of longer duration; however they receive less than half of the funds KEHATI distributes. Projects that are not directly related to conservation should be chosen more carefully, whenever possible selecting those which support projects that are. There has been a decreasing involvement of university researchers as grantees, and this is a missed opportunity to forge linkages between scientists and community resource managers.

THE WAY FORWARD FOR KEHATI

KEHATI has earned the respect of conservation professionals throughout Indonesia. However there is a perception among some that the organization has drifted away from the strong scientific basis on which it was founded. Some evidence for this is seen when examining the activities funded during the past seven years. Indeed the ever shifting strategies and programmatic plans under which the organization operates seem to have caused a loss of focus on the biodiversity conservation principles it aims to promote.

No organization can or should attempt to do everything to please all stakeholders all the time. Biodiversity conservation is such a broad field that the necessarily limited resources of a funding agency like KEHATI are at risk of being dissipated with little long-term impact. To avoid this fate, KEHATI should define and occupy a niche that allows it to take best advantage of its inherent strengths.

For example, one such strength is KEHATI's ability to assist local communities to responsibly manage their renewable resources. Although less evident of late, KEHATI is also well positioned within academic research circles and can access scientific and technical expertise to provide a sound footing for sustainable management practices. Combining these capabilities would allow KEHATI to act as a catalyst, encouraging joint proposals from university research groups and local communities, and in other ways forging linkages among these stakeholders that will bring direct biodiversity conservation benefits. KEHATI programs already occupy this niche to some extent, but strengthening and expanding efforts along these lines would solidly anchor the foundation to its biodiversity conservation principles.

The move toward longer term financing of projects dealing directly with biodiversity conservation should continue. This is especially valuable when working with local communities where entrenched attitudes need to be changed, and benefits from sustainable management need to be demonstrated.

Community development and empowering local people to manage their own resources do not necessarily lead to biodiversity conservation. KEHATI must make that link by education, persistent negotiations, providing technical guidance, and demonstrating economic advantages. KEHATI is in fact doing this in many of its current projects; however the link must be made explicit in project planning documents, and monitoring and evaluation during the course of a project must ensure that it is lasting.

Although not explicitly stated in any strategic planning document, KEHATI is clearly dealing with biodiversity conservation primarily at the ecosystem level. This is a sound approach, as maintaining healthy natural ecosystems is recognized as the best way to conserve biodiversity, and is the method set forth in the Indonesian Biodiversity Strategy and Action Plan.

KEHATI should continue to develop as a catalyst, bringing together disparate stakeholders such as university research groups and local communities to produce results directly beneficial to biodiversity conservation.

The move toward longer term financing of projects dealing directly with biodiversity conservation should continue. This is especially valuable when working with local communities where entrenched attitudes need to be changed, and benefits from sustainable management need to be demonstrated. This all takes time, and too often agencies and NGOs funding conservation projects have not had long term horizons. KEHATI, with its endowment base for funding, is in a position to stay the course and work as a reliable partner with its grantees for as long as necessary.

Finally, a clear, concise, and above all, realistic strategy with goals, objectives, actions, and benchmarks needs to be formulated. There should be a degree of flexibility in implementing the strategy, but it must serve to keep the organization on course with biodiversity conservation always its preeminent goal.

CHAPTER 4: FINANCIAL MANAGEMENT

The evaluation team's consideration of the financial management of KEHATI refers most particularly to the terms and conditions of the U.S. endowment. Because of the technical nature of the US-Indonesian financial agreement, we include here not just our findings and conclusions, but a series of recommendations. These recommendations are largely aimed at US officials, on how the endowment might be modified to facilitate its use by the *new* KEHATI — that is, a KEHATI no longer bound by the terms of a cooperative agreement. There was little logic in separating the team's recommendations, given their technical nature, and we have not.

MANDATE OBJECTIVES

The objectives of the financial management evaluation were to review, analyze and verify the financial management function particularly as it relates to the investment performance of the endowment funds, to the level of operating costs as a percentage of the annual endowment budget, to the continuing financial constraints imposed by USAID, to review fundraising strategies and to comment on the plan to establish regional trusts in Indonesia.

During the course of the examination, the team we had numerous conversations with the financial department personnel, made numerous requests for documents and asked for clarification concerning the rationale of certain activities. As a general comment, we appreciated their positive attitude in providing documentation, information and assistance. This consideration facilitated the completion of this evaluation.

FINANCIAL OVERVIEW

There is a saying that when an endowment obtains funds that are intended to be used over an extended period of time, it becomes a priority for that endowment to acquire skill in investment management. For KEHATI, the last five years in the capital markets would test anyone's conviction as to the benefits of investing money in the stock markets. These five years in the stock markets can be broken into two periods. The first period are the years 2000, 2001 and 2002; the second period are the years 2003 and 2004.

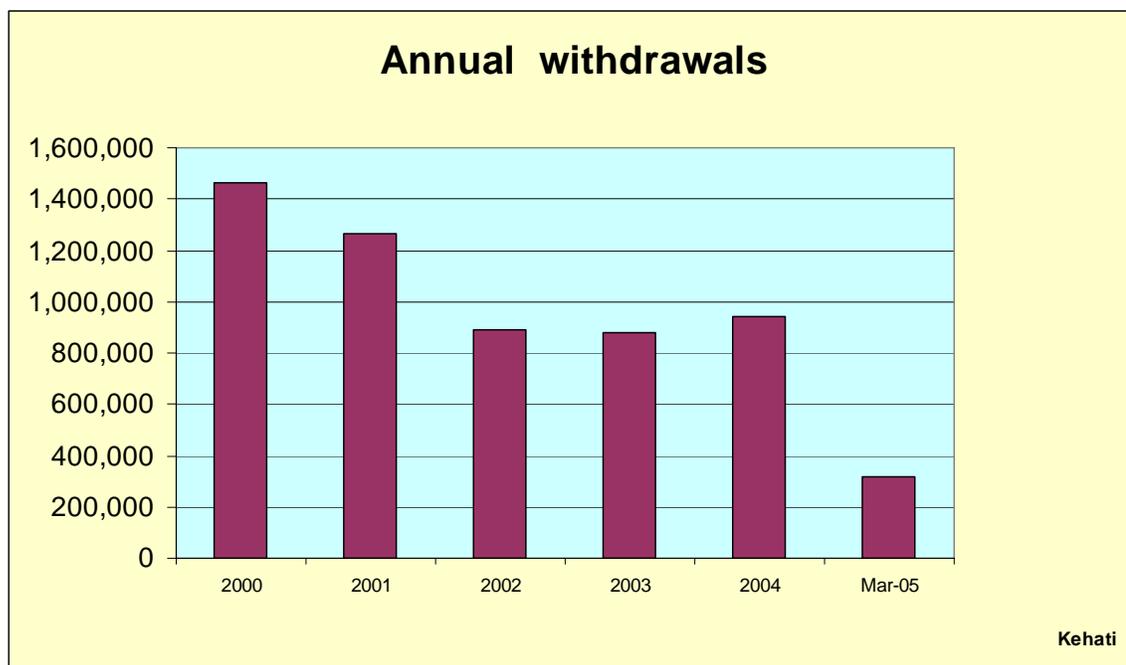
Stock funds in years 2000, 2001 and 2002 earned negative returns, and that time is characterized as the worst such period since the bear market of 1939-1941. As a result, stock funds finished the year down an average of 22.43% for 2002, following setbacks of 10.23% in 2001 and 0.09% in 2000. The best that most investors can say about that period is that it is over. However, the US stock market was kind to investors in 2003 and 2004, as the S&P 500 index rose 28% and 10.74% respectively.



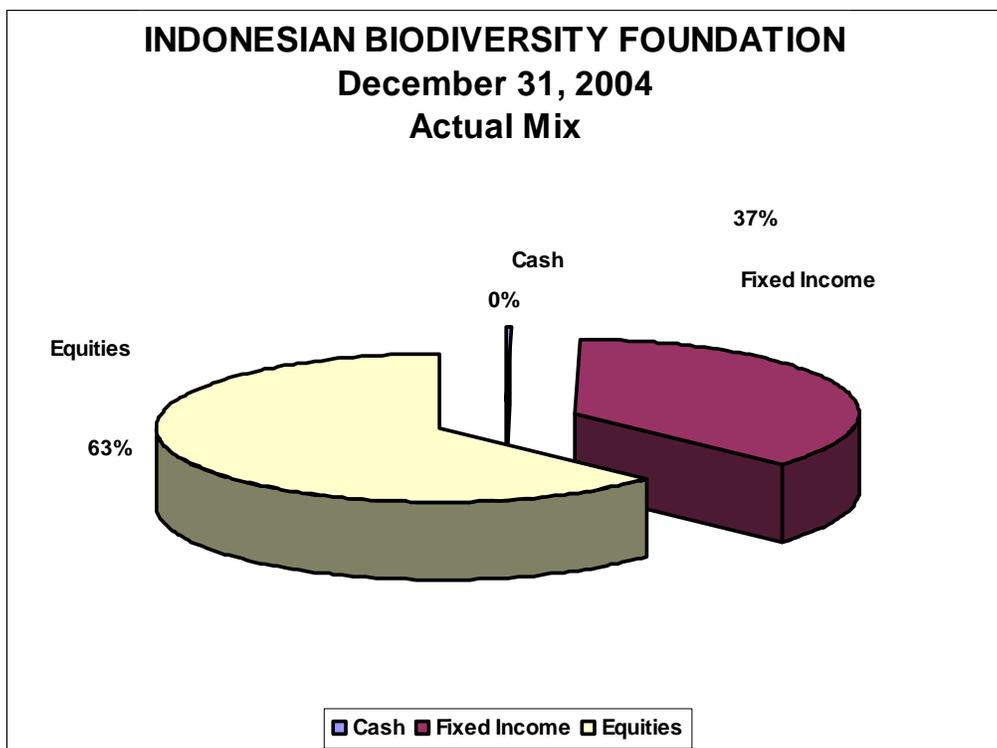
KEHATI’s endowment portfolio followed the same path as the fluctuating stock market. It earned negative returns in 2000, 2001 and 2002 and enjoyed positive returns in 2003 and 2004. There is a saying that stock markets are like ocean tides: they lift and lower all boats. For example, KEHATI’s gross returns before withdrawals and net returns after withdrawals are as follows:

<u>Calendar year end</u>	<u>Gross returns</u>	<u>Net returns</u>
• 2000	-4.16%	-10.4%
• 2001	-6.0%	-11.5%
• 2002	-8.1%	-12.59%
• 2003	17.5%	12.45%
• 2004	9.0%	4.3%

The difficult market conditions of 2000, 2001 and 2002 did not influence KEHATI’s policy of maintaining the asset mix of 60% equities and 40% fixed income. Thus, KEHATI’s endowment portfolio was able to rebound nicely in 2003 and 2004 and finish the 2004-year-end with a market value of \$19,925,194. In spite of the difficult economic times, it should be noted that KEHATI continued with its strategic objective and maintained its funding of programs, suggesting that it is taking its role as provider of support for environmental causes in tough economic times very seriously. It should also be noted that since inception withdrawals for budgetary requirements totaled \$7,689,623. Therefore, the total market value of the endowment before withdrawals would be \$27,999,460.



The question that must be asked is where KEHATI's performance situates when compared to the investment returns by the nation's (US) private, community and public foundations. KEHATI performance compares very well. For 2003, the most recent year published by Commonfund Foundations, foundations with assets of \$50 million to \$100 million, reported average returns of 15.5%, after losing an average of 10.3% the prior year. All of these foundations, like KEHATI, have multi-asset total return investment policies. As indicated in the above chart, KEHATI earned a 17.5% in 2003 and lost only 8.1% in 2002. Thus, KEHATI's performance is 2% better than average in both 2002 and 2003 when its returns are compared to each of these benchmark returns. When comparing stock market returns, 2% is a significant amount. In addition, the study showed that most foundations, or 48%, continue to have the bulk of their assets in domestic equities, followed by fixed income (21%), alternative investments (14%), international equities (12%) and cash and short-term holdings (5%). The asset mix for KEHATI is as follows: 72% US funds and 28% in international funds and equities represent 63% of the portfolio.



The study asked about *underwater funds*, meaning funds whose market value has fallen below historic dollar value. Nearly 11% of foundations in the study and one-half of community foundations reported underwater funds. KEHATI has no underwater funds in its portfolio. Lastly, the study found that for the future, 38% of the foundations plan to increase their allocation to alternative investments that include hedge funds and venture capital funds. Presently, KEHATI has 5% of its portfolio in hedge funds.

CONTINUING REQUIREMENTS

The term of the Cooperative Agreement ended in March 2005. However, as long as the endowment funded under this Cooperative Agreement continues in existence, certain requirements continue to apply (provision M4). We propose modifications to several of these continuing requirements. The main reason for our proposal is to allow KEHATI the ability to launch its independency with a clean bill of health. The provisions that require modifications are as follows:

- to allow the real value of the USAID-funded endowment to decline over any five year period without USAID approval;
- to modify the percentage that limits administration expenses to 35% of endowment income; and
- to modify the provision that all USAID endowment funds will be invested in financial instruments offered in the US through US based investment management firms.

As mentioned above, the stock markets earned negative returns in the years 2000, 2001 and 2002. These years were difficult times for KEHATI. Due to the impact of these negative returns to the endowment, KEHATI annual income from the endowment dropped by over 40% in calendar year 2002. In dollar terms, this percentage drop represented \$375,000. For a small foundation operating with a limited amount of funds, this amount is an enormous sum. If operating problems are not enough trouble for KEHATI, the stock market declines affected KEHATI continuing requirements to USAID. The first provision deals with the real value of assets. Maintaining the real value of assets is a provision that is reasonable but difficult to apply in declining and lackluster stock markets. The consumer price index over the last five-year period is as follows:

- a. 3.4% in 2000
- b. 2.8% in 2001
- c. 1.6% in 2002
- d. 2.3% in 2003
- e. 2.7% in 2004
- f. 3.4% estimate for 2005

Our interpretation of provision M.4 is that the endowment fund must grow annually by the CPI percentage of that year. However, during the bear market of 2000, 2001 and 2002 where annual percentage declines were hovering in the high single digits the maintenance of the real value of the endowment fund is an elusive goal. For example, a corporation that is experiencing revenue problems can eliminate the dividend until revenues are back on track. However, a foundation like KEHATI that has annual minimum spending requirements of 3% has no such option. It must continue to spend or face the possibility of losing its endowment. Furthermore, most investment forecasters expect the next five-year investment returns to average in the high single digits for equities. If one does the math, a foundation has to be deployed 100% in equities (unlikely) in order to reach this return objective. Typically most foundations have an equity allocation of 60%. Thus their return will most likely be in the 6% range. In this scenario, these provisions cannot govern KEHATI, as there is no room to maneuver in lackluster markets and their continuance may lead to aggressive investment choices. The fact that the real value of the endowment is averaged over five years is not a consolation. We propose that the maintenance of real value of the endowment requirement be eliminated.

The cooperative agreement has a provision that limits administration expenses to 35% of endowment income. In normal economic times, this is a reasonable provision. However, it has been a liability to KEHATI due to the recent stock market declines in the years 2000, 2001 and 2002. Furthermore, in 2005 the stock market has gone into a slump. No one knows how the year will end, but at the moment forecasts are not positive. If one returns to the year 2000, the stock market had just finished an 18 year run and the endowment fund had a market value of \$25,000,000. Optimism was everywhere. The recently completed evaluation recommended that KEHATI compliment its in-house management team by filling several new staff positions. KEHATI followed these recommendations by contracting new employees. The direct consequence of these new employee hires is that the salary level increased from 1,067,290,309 rps in 2000 to 1,567,072,731 in 2001. The current level of salaries before income tax in 2003 is 1,375,114,931 rps. KEHATI has made great strides in reducing administrative expenses and will continue to do so. But legal requirements prevent staff reductions without severance and, more importantly, we do not believe staff reductions are the right strategy. KEHATI has a great team.

Personnel are highly skilled and devoted to the mission. We do not recommend that USAID become too strict in enforcing the literal interpretation of the provision. Managing the administration expenses during the early years of a foundation's development is a difficult process and thus requires understanding and flexibility. We recommend a five year grace period for adherence to this provision.

The cooperative agreement has a provision that states the following: investments in companies outside the US are allowed provided they are through financial instruments offered in the US—through US-based financial intermediaries. The term US-based is too restrictive. For example, what if the financial instrument is offered in the US but the management team is in London. According to this provision the investment would not be permitted. Typically, most US-based management financial institutions have a global presence and thus do not manage all financial products in the US. In addition, most of these US institutions have tax efficient products that they offer to their offshore clients. KEHATI should be allowed to avail itself of the products. Currently, KEHATI has 29% of its investments in non US holdings. In today's environment, it is not recommended to set non US exposure above 40%. It would benefit KEHATI in having additional flexibility, when the opportunity arises, in accessing these foreign investment opportunities. We recommend that this provision apply to 90% of the endowment.

FUNDRAISING

KEHATI explored several fundraising strategies during the past five years in order to fulfill its requirement in cost share under the cooperative agreement. The most notable fundraising strategy is the Green Fund. The theory behind the Green Fund is to target the private sector for donations which will be pooled into a single purpose investment instrument. The income earned from this investment pool will be used to support additional environmental causes. This strategy did not meet with any success. In order to explore the causes for the lack of interest by the private sector we met with several executives in industry and discussed their donations policies. They were: Leroy Hollenback of Yayasan Inovasi Pemerintahan Daerah, Franciscus Welirang of Indofood and Martha Tilaar of Martha Tilaar Group of Companies. The three individuals were all enthusiastic about the objectives of KEHATI. However, all three mentioned that charitable causes are supported internally, as there are no tax advantages to donate to independent foundations like KEHATI. Internal efforts are tax deductible while external donations are not tax deductible. We agree with the reasons why the above mentioned individuals do not donate to KEHATI. In our opinion, tax deductibility is the most important element in fundraising strategies. Therefore, for the immediate future, concepts like the Green Fund, which requires a minimum amount of \$10,000,000 at inception to be feasible, are too sophisticated to get underway within a short time frame without tax incentives for the Indonesian private sector. Once the Indonesian government provides tax deductions for the donations, these strategies can be reconsidered. We also explored the feasibility of initiating a mass mailing throughout Indonesia in order to access new donors. This again is not a viable alternative in today's Indonesia as the infrastructure is not yet in place. As we know, mass mailings are a major component of US fundraising marketing drives.

For the foreseeable future, fundraising must be focused in two areas. The two areas are the grass roots and the important contacts introduced to KEHATI by the Board of Directors. In a sense one might call this program a barbell strategy. The focus is at the lower and upper end echelons of society. The grass root level strategy is a public awareness plan to enlist the children of today

who will become the leaders of tomorrow. This plan must be fine-tuned with local NGO's so that efforts are not duplicated. We realize that the donations received by KEHATI will be insignificant, but this public awareness campaign is critical in order to change perceptions of the environment. We also realize it is long-term. The second area is to encourage the Board Members to be more proactive at the fundraising level. Indofood mentioned that in the current political environment, it is not the song (i.e., the environment) that team matters but the singer (the individual who delivers the message). Thus, donation requests must originate from KEHATI's well known Board Members. Included in this plan is the hiring of a senior KEHATI officer who follows up on all donation opportunities. Typically, individuals who engage in fundraising activities in the US are paid a percentage of amounts collected for the foundation. KEHATI may wish to follow a similar route in Indonesia. A similar plan must be utilized in the US. The United States is a more fertile ground for donations. Furthermore, KEHATI can offer tax receipts in the US due to the fact it has 501(c3) certification.

REGIONAL TRUST FUNDS

The KEHATI project to establish regional trust funds in Indonesia has merit. Indonesia is a large country. Developing regional networks is important in order to build local support. The real question is the form of these networks. We recommend that these networks be regional offices with their own name but and not full stand-alone legal entities. This plan should stay in force at least for the short term. Once KEHATI can accurately forecast the feasibility of these networks, the need to crystallize the legal status of these networks can change into entities that are more permanent. However, in both examples, the regional funds must be managed by KEHATI. Each regional network will have its own distinct pool of funds and spending plan. However the funds should be managed by KEHATI under a master trust arrangement. Duplication of finance teams at the regional level would be too expensive.

BUSINESS UNITS

The project under consideration is to create a wholly owned subsidiary of KEHATI. The subsidiary will operate as a business. The financial structure for this project is to pool donor funds into a commercially viable operating entity for the purposes of generating profit. The profit generated from this venture will be used for environmental purposes. This project sounds excellent on paper. However, in any new commercial venture the early years are not positive income generating years. These operating losses could damage KEHATI's reputation, especially if these losses continue longer than normal. If this happened, KEHATI would jeopardize its hard earned excellent reputation. There is a saying that a reputation is earned in grams but lost in kilos. The impact of negative publicity would impact fundraising. The potential negative publicity to KEHATI's reputation requires us not to recommend this project.

We trust that our findings may assist USAID in identifying the issues to be addressed in the area of financial management.

CHAPTER 5: FINDINGS AND CONCLUSIONS

An efficient way to frame this section, having set the groundwork, is to follow the evaluation objectives as specified in the SOW.

The evaluation team found that as an organization, KEHATI is universally regarded as exemplary in its conduct, effective in its programs and unequalled in the quality of its personnel.

KEHATI'S PERFORMANCE

The first SOW objective is:

- ***Evaluate KEHATI's performance against the objectives stated in the strategic plans (1998-2002 and 2002-2007) and supporting work plans; as well as against new trends and future opportunities in Indonesia***

KEHATI has earned a reputation as far and away Indonesia's premier foundation in the sphere of biodiversity and even in broader realms of conservation and environmental improvement. The evaluation team found that as an organization, KEHATI is universally regarded as exemplary in its conduct, effective in its programs and unequalled in the quality of its personnel. These attributes have helped to assure success, at a fundamental level, in the achievement of most strategic objectives.

KEHATI also has paid heed to the rapid changes in concepts of biodiversity and the implementation of applied biodiversity programs. The two strategic plans reflect these changes over a ten-year period.

Despite acknowledging success at the fundamental level, the team found substantial deficiencies both in the strategic planning process and the resulting documents. Concentrating on the present plan, for instance, one is almost overwhelmed by the level of complexity. Handsomely printed, with attractive photographs and clever graphics, the text is nonetheless laden with lists of idealistic principles, confusing assertions and overstated objectives.

With no indicators of success, yet with unbounded expressions of idealistic fervor, those who endeavor to implement such a plan may be forgiven if they at times falter. Similarly, the lofty aspirations suffuse other KEHATI documents for internal and external use and diminish very real accomplishments that require more modest testimony. Without adequate indicators by which to weigh relative degrees of programmatic progress, tough management decisions concerning personnel and specific projects are made harder.

Absolutely central to the challenge of strategic planning and the implementation of a strategic plan is the role of a Board of Directors. A substantial portion of the external evaluation completed in January, 2000, focused on this issue. That evaluation at length enumerated the kinds of reforms that would be crucial to KEHATI's future development. The Board of Directors — actually including KEHATI's several Boards — must adopt standard practices of effective Board management and procedure. Unfortunately, virtually none of those recommendations appear to have been adopted in the five years just concluded.

Board appointments, Board turnover, attendance and dismissal procedures, frequency and rigor of meetings, and various other dimensions of modern Board operation need attention. The

authority of an Executive Director, the implementation of a strategic plan, the clarity with which professional staff understand the plan and its measures of progress—all depend integrally upon a vigorous, active, involved and responsible Board.

In an assessment of *performance against objectives* the Board's role is essential, but it is also most resistant to evaluation scrutiny. In reality, KEHATI during the second half of its evolution, has become increasingly independent. USAID supervision and active interest have gradually diminished. And, this evolution is consistent with the spirit of the founding of KEHATI in 1994. The end of the Cooperative Agreement in March 2005 thus symbolizes a new launching of KEHATI as a fully independent foundation.

It is KEHATI, especially its Board of Directors, should take full responsibility for the future course of the organization. On issues critical to the welfare of KEHATI, full authority now rests with the Board.

The evaluation team concludes that the launching of the newly independent KEHATI, will immediately reinforce Board responsibility as well as help to initiate serious international fundraising at a level commensurate with KEHATI's ambitions toward steady, responsible growth. The accomplishments of these past ten years deserve nothing less.

The evaluation team has observed that both strategic and short-term change through the ten year period of assessment have been determined principally by financial exigency. Most noticeably, programmatic and personnel expansion and contraction have been driven by economic and financial opportunity and vicissitude. Radical revamping of programmatic rationalization, tables of organization, and personnel titles and functions have paralleled real or imagined alteration in financial circumstances. Not the strategic plans, but financial concerns often have basically driven change for KEHATI.

Each of the major changes, and most of the minor ones, find elaborate rationale through hundreds of pages of documentation examined by the team. Yet the rationale in almost every instance rests on claims of purely programmatic improvement. All levels of the organization have contributed to this process. Ultimate responsibility, however, should rest with the Board.

Survival in the face of predictably changing financial circumstances necessitates realistic strategic planning, a coherent and relatively easily understood programmatic array, a monitoring process to measure progress and assure compliance, and a reserve mechanism to accommodate unforeseen setbacks. The risks of financial exigency are diminished by the discipline of a doable strategic plan. The plan must drive change; financial exigency should not have to drive the plan.

KEHATI is presently very well situated to take unique advantage of present trends in the world of biodiversity as reflected in Indonesia. To do this it may have to make adjustments in its management structure better to reflect new opportunities both in accessing donor support and in crafting adjustments in program direction.

A major accomplishment of Ismid Hadad, for the past six years KEHATI's Executive Director, has been to retain first-class staff and to recruit superb additional professional personnel. Few, if any, other Indonesian organizations, in the experience of evaluation team members, exhibit uniform excellence in staff at the level KEHATI enjoys. This is evident both in the field and in the central office in Jakarta. Mr. Hadad has also shepherded the organization through the years of its most impressive growth and success.

A weakness for KEHATI, however, lies in its dependency upon the personal prowess and status of its Executive Director. Current trends and future opportunities, as understood by the evaluation team, require an expansion and strengthening at the senior management level currently populated by a single eminent individual. A strong Executive Director, such as Ismid Hadad, is essential, but at a step just below the Executive Director, one or two new senior management positions may be advisable. One of these may be a full-time, internationally adept, fundraising professional. Another might be a person whose duties would include constant attention to the programmatic spread and its relationship to KEHATI's ever shifting financial capability.

Some of KEHATI's central current programming focuses on response to environmental disaster that affects the entire globe. (See Appendix G for examples of on-going environmental horror stories in Indonesia itself.) Fundraising in places like Europe, North America and Northeast Asia thus becomes an appeal to self-interest, not just a solicitation of help for Indonesia.

The evaluation team believes that the launching of a newly independent KEHATI, will immediately reinforce Board responsibility as well as help to initiate serious international fundraising at a level commensurate with KEHATI's ambitions toward steady, responsible growth. The remarkable accomplishments of these past ten years deserve nothing less.

IMPROVEMENTS TO THE STRATEGIC PLAN

The second SOW objective is:

- ***Recommend improvements to the current strategic plan including resource mobilization policies and program implementation approaches;***

Biodiversity needs to remain core to the KEHATI enterprise. The temptation to remedy current human adversity must be counter-balanced by constant reminder that the central focus is the recovery and sustainability of biotic health for the sake of planetary and Indonesian future. Admittedly, the very term, biodiversity, emerged with a human connection in mind, so it is entirely appropriate that KEHATI's strategic plans have revolved around human dimensions. Yet there is a danger that the efforts to alleviate human suffering now may outweigh the central obligation to prepare the planet for future generations' habitation.

The 2002-2007 Strategic Plan is extremely heavy in programmatic content oriented to human communities and their need to cope with environmental threats. The societal dimensions are partially disguised by the newly configured construction of *biodiversity regions*, but a reality of human endeavor and human organization runs through the great majority of current KEHATI programs. Furthermore, the integrated approach, which sensibly augments programmatic impact by coordinating multiple intervention strategies, also inherently favors complex human interaction.

This orientation has many practical advantages, not the least of which is to raise the appeal and visibility of KEHATI programs to Indonesian society and to the outside world. Staff skill-sets further underline the human as opposed to biotic programmatic preference.

Both dimensions clearly must be kept in balance, but the *science* side may need special nurture, if KEHATI wishes to avoid being swamped by an endless flood of demand to treat human misery. One approach to this challenge is already apparent in KEHATI's incorporation of high-quality faculty specialists in regional universities, working in close cooperation with various community level programs. More of this might be encouraged.

The current strategic plan is excessively complex, lacks sustainable focus, and requires success-indicators (or measures). Hence, future strategic planners should endeavor to fashion a much more clear, coherent, credible document, one that is useful both inside KEHATI for its own frequent consultation and guidance and for outsiders seeking a concise guide to the foundation's central activities and present objectives.

In the same vein, annual reports should seek genuinely to measure progress against the content of the strategic plan, rather than seek to justify deviations from it. And, presuming in the future that there will be indicator schedules built into the strategic plans, annual reports should conscientiously assess progress, shortfalls and failures, according to the measurements projected earlier. Achievements in central mission objectives and priority annual targets should also receive proper treatment.

THE FUTURE ROLE OF KEHATI

The third SOW objective is:

- ***Evaluate and make recommendations for KEHATI's future role as: facilitator, grant maker and/or implementer, and other roles as yet undefined;***

From the outset of KEHATI's existence it was clear that grant-making would not be a simple transaction involving an application process, the bestowing of grant monies, and, finally, the carrying out of projects independent of continued KEHATI involvement. In practice, and of necessity, KEHATI has been grant-maker, facilitator and implementer—in various combinations—in virtually every program examined.

The great strength of KEHATI has been its organizational integrity and universally respected staff. This integrity is admirable in modern Indonesia, where by all accounts the avenues of corruption are many, and where national decentralization, may worsen the problem. The KEHATI reputation may be a resource which, if developed to full advantage, could result in greater organizational efficiency and more economic utilization of limited funds.

The cheapest foundation role in terms of overhead costs is that of *grant maker*; *facilitation* generally requires more overhead, and *implementation* costs the most. Condensation of programming, especially through the vehicle of the so-called bio-regions, has brought some economy of scale, but the intra-regional coordination appears also to have required more facilitation, and the facilitation quickly drifts into a form of implementation, sullyng the convenient distinction among terms and stretching KEHATI's organizational resources.

The great strength of KEHATI has been its organizational integrity and universally respected staff.

Unless KEHATI's central financial base is quickly and substantially expanded, the foundation seems destined to dilute its programmatic stretch and further exhaust finite staff energies. Presently staff seem to be working 'flat out', and team members all marveled at the extraordinary levels of energy and initiative. However, this situation seems impossible to sustain for very long, and present financial capability cannot offer foreseeable relaxation in effort. It follows that KEHATI would be prudent to engage in serious planning for more economic expenditure of staff energy.

Many senior figures in the present Indonesian government appear seriously committed to reform but themselves have limited resources and leverage through which to effect sustained programs of bureaucratic rectification. A sufficiently energetic and industrious KEHATI Board might explore avenues to addressing financial needs through careful exploitation of KEHATI's unquestioned stature and its reputation for successful programming.

USAID OVERSIGHT

The fourth and final SOW objective is:

- ***Recommend the appropriate level of USAID oversight following the Cooperative Agreement.***

The Cooperative Agreement has expired, and in the view of the evaluation team, this expiration should be greeted warmly, and the **launching** of a new KEHATI should be celebrated both by USAID and by KEHATI. Indeed, KEHATI should take this opportunity to engage in a public campaign to re-define itself. Specifically, KEHATI might now strive more aggressively to use its independence to expand its avenues of fundraising, both in Indonesia and abroad.

A simple letter-agreement ostensibly can replace the cumbersome former document. USAID will still have nominal, but legally binding, ultimate authority over the endowment, and will also expect annual reports that satisfy the need for affirmation that the KEHATI mission continues within required parameters. For KEHATI's part, the new independence will bring with it both risk and opportunity. The risk is that KEHATI will have to bear full responsibility for its formidably complex programmatic ambitions. The opportunity is that without whatever real and imagined constraints have existed to date KEHATI will now have full freedom to pursue its own destiny.

CHAPTER 6: RECOMMENDATIONS

PRINCIPAL RECOMMENDATIONS

Three specific recommendations stand out above all others and to a substantial degree also subsume them.

They are:

- 1) USAID need not extend the Cooperative Agreement that expired in March 2005; rather, reduce USAID purview to the statutorily required minimum, and retain the endowment fund under the full responsibility of KEHATI's management.
- 2) KEHATI should assert, clarify and promote its identity as a fully independent Indonesian biodiversity foundation. This opportunity anticipates organizational adjustments to enable diverse activity within the broad mandate that biodiversity encompasses.
- 3) KEHATI should bring its programmatic aspirations and its financial capabilities into sustainable balance, adopt professional practices in its Board of Directors, and secure additional sources of funding for its valuable mission.

Clarity of strategic planning and rigor of monitoring and regular review encompass all three of these principal recommendations. Strategic planning so far has failed KEHATI despite prodigious energy expended to generate strategic plans. (See Appendices D and E). The evaluation team recommends that, rather than repeat past approaches, KEHATI should engage a reputable firm to provide professional facilitation of a strategic planning exercise. The hardest single challenge for a complex organization with a complex mission often is to gain sufficient *distance* from itself to assure useful perspective. An accomplished professional facilitator can effectively orchestrate the exciting, albeit painful, process of moving a complex organizational culture toward self-scrutiny and vision.

ACHIEVEMENT OF STRATEGIC OBJECTIVES

Formation of strategic objectives should follow from the KEHATI mission and must serve to keep the organization on course with biodiversity conservation always its preeminent goal. Strategic plans should be succinct, focused and substantive. With sufficient forward planning they should realistically accommodate financial capabilities. While allowing due flexibility for adjustment to changing circumstances, they should nonetheless serve as a very clear guide to programmatic activity throughout the specified years the plan will be in force.

Greater work appears to be necessary to create language which properly conveys what it is that KEHATI does. Strategic plans will improve as they come to reflect more effectively the programmatic content.

Perhaps no single Board prerogative is more important than the selection of the Executive Director. The evaluation team strongly recommends that KEHATI's Board of Directors establish soon a formal process for the search for the next Executive Director. The Team believes that this search should be professional and that it should be especially attentive to the

quest to identify a pool of highly qualified applicants from which to refine a short-list and, ultimately, to make a confident selection.

One serious problem that affects all of KEHATI's public literature is the quality of language in the English versions. Quite possibly, some of the items, if they are anticipated to have only limited readership, do not need to be rendered in English. But in the case of some documents, for instance, the strategic plans, the English versions are essential. These need to be issued in language which actually captures intended meaning. The conceptual language of biodiversity and of associated social science jargon is ever-changing and often laden with arcane shadings which add to the challenge of translation. Much more effort will be required for KEHATI to offer satisfactory English language versions of its publications.

Another challenge lies in marketing and publicity. As important as KEHATI may be, there are at present literally hundreds of organizations that operate, and compete, in Indonesia in the sphere of biodiversity. (The weekly *Indonesian Conservation Newsletter*, available globally in English and Indonesian versions, runs to well over fifty pages of small print in each edition. Yet a search for KEHATI references turns up very little.) In its early years KEHATI perhaps could afford to ignore publicity, but increasingly its well-being may depend not just on its fine programs but also on its success in conveying information about them to larger publics, domestically and internationally.

ISSUE AREAS

The division of KEHATI activity between *biodiversity programs* and *issue programs* may now have come to reflect a permanent distinction, one that will frame strategic plans for the foreseeable future. If so, these two rubrics should be given much better descriptive clarity. The term, bio-region, for instance, when it in fact functions simply as an arbitrary geographic label, should not be used as if it represented a commonly understood biotic identity. Issue programs at present encompass public advocacy, public education, resource center establishment and university research. In actuality, much of the *issue* activity is intimately entwined with the biodiversity programs. Moreover, in their strictest versions, the issue programs are radically different from one another—which also tends toward confusion.

Programs projected to reach huge numbers of people, or even a national constituency, appear to have targets very difficult to achieve. They also raise the prospect of eventually consuming appreciable portions of the KEHATI budget. These programs, especially, need to be fitted with appropriately modest goals, both to assure credibility and to allow for reasonable monitoring along the way.

RESULTS FRAMEWORK

These recommendations are aimed at the larger community of stakeholders in biodiversity in Indonesia:

- ▶ strengthen networks with research and academic institutions further to support sustainable community-based biodiversity conservation issues;

- ▶ create strategic linkages with partners from LIPI (Indonesian Institute of Sciences) and government agencies to attract new sources of research funding from both domestic and overseas;
- ▶ develop programs that incorporate community natural resources management with strong scientific biodiversity conservation components and with clear indicators for outputs, outcomes, and impacts;
- ▶ assist in developing campaigns to increase awareness of communities' sustainable products;
- ▶ assist in networks that can provide or develop appropriate technology for value-added products;
- ▶ facilitate or assist local partners and or local/national government bodies to formulate policy related to law and regulation on natural resources management;
- ▶ provide (more) professional development opportunities for KEHATI's staff, both for short courses as well as for graduate studies.

GENERAL MANAGEMENT

General management begins with a Board of Directors or trustees. In KEHATI's case there are three Boards, a complication that may not be entirely felicitous to the attainment of satisfactory organizational purview. The year 2000 evaluation report dwelled at length, in several sections, on the need for Board reform. The long list of recommendations then ranged from the need for basic Board procedures to the need for members to engage in fundraising. All of those recommendations, in whole or in part, still carry heavy weight, in the view of this evaluation team.

We would begin with a basic question. What kind of Board membership and structure does KEHATI need? With radically changing programmatic formats it is likely that the needs have changed. Meanwhile, the 'science' of foundation and NGO Board management has advanced very rapidly, so it could behoove KEHATI to undergo a process of Board self-evaluation and outside consultancy specifically directed to this set of ongoing issues.

Other questions follow. How can KEHATI attract Board members who will succeed in raising money and expanding the endowment? Is the Board (speaking of it as the single ultimate authority in this organization) large enough adequately to represent the many faces of KEHATI that require a voice? Does the Board adequately include people who actually live in the bio-regions KEHATI claims to serve? Are there enough young professionals, politically and financially astute players on the current scene? We did not hear these questions inside KEHATI, but we heard them frequently outside.

KEHATI should build on the strengths and relationships that it has developed over the ten years of its existence. For example, KEHATI can promote cooperation between academic field researchers and newly empowered community resource managers to deliver positive results for biodiversity conservation.

Beginning in the project planning stage and continuing with monitoring and evaluation throughout the life of a project, KEHATI must create and maintain strong links between biodiversity conservation and the empowerment of local people to manage their natural resources.

Projects should be planned with long term horizons when dealing with local communities where entrenched attitudes need to be changed, and benefits from sustainable management need to be demonstrated. With a reliable source of funds from its endowment, KEHATI is in a position to work as a reliable partner with its grantees for as long as necessary.

PROGRAM MANAGEMENT

The evaluation team recognizes the inestimable value of Ismid Hadad's leadership of KEHATI through the past six years as Executive Director and previously as Board member. Uniformly high-quality personnel, unquestioned respect from peer organizations and individuals, nationwide esteem for vigorous programmatic accomplishment—these are unmistakable signs of successful leadership. However, Mr. Hadad's retirement from KEHATI impends at the end of 2006.

As the team identifies multiple areas of strong leadership, it also has observed certain problems and challenges of management. These are as much the consequence of successful organizational development as they are the result of any flaws in present practice.

KEHATI currently exhibits what may be called a flat management structure in its table of organization (whose official format does not reflect the working reality). That is, numerous program directors are assembled along a flat plane, each with subordinate staff below. Far above, sits the Executive Director. As the organization has grown, especially in its programmatic complexity, the burden of leadership appears to have become unwieldy. Reciprocally, the flatly arrayed management reveals substantial problems of coordination and rationalization.

The evaluation team recommends a strengthening of the senior management echelon. This will require one or two new positions just below the Executive Director, one of them possibly devoted to hands-on management responsibilities, the other to fundraising management and coordination with programmatic priorities. Together, the senior management team, including the Executive Director and one or two individuals immediately below her/him, will provide needed direction in the complex array of KEHATI challenges.

FINANCIAL MANAGEMENT

The current financial requirements were signed in 1995. As in the world at large, the financial markets are not the same place they were then. The financial excesses of the 1990s are not fully absent from the current stock market prices. Newspapers report daily stories on the accounting manipulations by executives. Thus, it is not unusual for the stock markets to decline over 20% in one year and increase over 20% the next. These wild market fluctuations did not happen to the US markets in the 1990s. On account of the stock market uncertainties, we recommend several modifications to KEHATI's continuing obligations to USAID.

The provisions that require modification are as follows:

1. to allow the real value of the USAID-funded endowment to decline over any five year period without USAID approval;
2. to modify the percentage that limits administration expenses to 35% of endowment income; and
3. to modify the provision that all USAID endowment funds will be invested in financial instruments offered in the US through US based investment management firms.

The timing of KEHATI's administrative build up coincided with the decline of the stock market. Furthermore, the stock market decline is also impacting the USAID requirement to maintain the real value of the endowment fund. We recommend a modification to these two provisions. With respect to the first provision (i), eliminate the requirement to maintain the real value of the endowment fund.

For the second provision (ii), allow a grace period of 5 years to the requirement of spending no more than 35% of endowment income for administrative expenses. KEHATI's current level is above that requirement. The third modification deals with the investing process. Gone are the days when financial institutions managed the financial world from the US. International financial products are typically managed overseas. The current requirement prevents purchasing certain investment products even though the seller is a US financial institution. This is due to the fact that the management must be US based. International diversification is a necessity for investment portfolios. We request a modification to the provision to limit the applicability of this requirement to 90% of the endowment.

KEHATI explored several fundraising strategies during the last five years. The Green Funds and a commercial enterprise are just two of the more notable ones. These strategies are not viable in the current economic and tax climate. For the immediate future, fundraising opportunities must originate at the Board level. Introductions to potential Indonesian donors are crucial for the growth of KEHATI. In addition, the potential of fundraising in the US needs to be considered, as KEHATI has the ability to offer tax receipts to US donors.

The idea of creating regional trusts is an excellent strategy. This approach will assist KEHATI in building local community support. However, asset management must remain in Jakarta. A master trust arrangement can easily be implemented. For the short term, we recommend that these entities remain regional offices and not stand-alone legal subsidiaries. This policy will keep operating costs to a minimum.

FUTURE RELATIONSHIP OF KEHATI—USAID/INDONESIA

The Cooperative Agreement which expired in March was lengthy and complex. However, its implementation was maximally flexible. In the beginning of the ten-year period USAID personnel exercised substantial 'supervision' and involvement. Toward the end of the period, contact was reportedly infrequent, and financial supervision principally entailed negotiation over very specific matters of immediate moment. In practice, KEHATI has operated in recent years as an independent organization, conforming, as required in normal relations with a donor, to the fundamental mission purposes of the foundation as dictated in the Agreement but acting with full authority in terms of programmatic content and direction.

The evaluation team recommends that the termination of the Cooperative Agreement be allowed to stand, replaced by a standard letter agreement confined to basic statutory financial obligation and the expectation of an annual report by KEHATI to USAID/Jakarta.

Based on numerous conversations and interviews with KEHATI Board members and staff, the evaluation team understands that KEHATI is eager to continue its close relationship with USAID, while it also cultivates many other channels of potential monetary and programmatic assistance and cooperation. Indeed, the team anticipates that KEHATI will be a grant applicant, frequently competing for USAID support in years to come.

The launching should be directed principally toward helping to thrust KEHATI into greater visibility in North America and Europe. USAID can use its formidable network of resources and contacts to assist KEHATI's efforts internationally, especially toward the concrete objective of cultivating funding opportunities for KEHATI.

CHAPTER 7: CONCLUDING OBSERVATIONS

KEHATI has been examined by the evaluation team from a range of vantage points dictated by the inherent complexity of a biodiversity foundation. In the case of KEHATI the nature of both basic terms—*biodiversity* and *foundation*—is subject to varied use and unusually specific meanings. The concept of biodiversity ranges from research in multiple natural sciences to community, economic and political elements of fundamental transformative education and advocacy. The concept of foundation, in KEHATI's case, includes primary USAID funding and continued financial authority as well as supervisory dimensions. But, to the contrary, it also includes independent Indonesian authority over the foundation's management and programmatic activity, extending to responsibility for administering a financial portfolio situated in the United States. The term, foundation, in KEHATI's case, scarcely encompasses the array of activity that forms the daily organizational agenda.

This evaluation report contains chapters devoted individually to each of the major domains of KEHATI's work. Each of these domains deserves to be treated as a single discreet area, for the science of biodiversity, for instance, cannot reasonably be integrated with the legal language and financial discussion of foundation law and investment portfolio management. And neither of these domains connects easily with the great bulk of KEHATI's work, which deals with the complex dynamics of community organization, public education and policy advocacy (See Appendix F). Nor do these examples represent the full extent of KEHATI domains.

Ultimately, all the domains intersect and are collectively integral to the well-functioning of this organization. The strands substantially come together in the introductory chapter and now in the conclusions. Nonetheless, the evaluation team believes that however convenient the overview perspectives may be, the root strength of KEHATI remains at ground level, among the peoples of the archipelago who are grappling daily with the biodiversity issues that so intimately affect their lives. Superb staff professionals and solid programs in the field are what distinguish KEHATI; all the domains, when they perform best, enhance efforts that actually reach Indonesian citizens and, with KEHATI's effort, leave footprints that others will follow.

Our recommendations proceed severally through the basic domains of KEHATI and also follow the key issues listed in the SOW and in the workplan. Yet in the end it is the results, not the particular SOW issues, important as they are, that most move our findings.

We have recommended a new launching for KEHATI. With the KEHATI/USAID Cooperative Agreement expired, and with ten years of successful experience completed, we find that it is time for KEHATI to assume its rightful stature in the community of fully independent foundations. Despite its long list of formidable accomplishments and despite nationwide recognition for its energy and its high-quality programs, KEHATI has felt limited in its options and prerogatives. We anticipate that with its new launching, KEHATI will now enjoy an even more illustrious future.

The evaluation team also has endeavored to tender some advice on what it believes will best serve to address new challenges. The greatest challenge, we are convinced, will be to forge a clearer identity and a congruent strategic plan. For this to happen, a vigorous, professional, modern Board will be necessary. We cannot stress enough the importance of instituting the Board recommendations emphasized in the midterm evaluation five years ago and again

repeatedly urged in the present report. Board members must engage in serious fundraising under coordination by the Executive Director, but they must also provide firm oversight and review for KEHATI's mission and strategy. And, they must *listen* carefully: to evaluators, to facilitators, and to dynamically changing conditions.

Preoccupation with the immediate tasks of organizational evaluation can bring neglect of larger contextual forces that may seriously affect efficacy and impact. So we close with a few observations directed at the broadest level of KEHATI's place in Indonesia's biodiversity universe.

Repeatedly in interviews and in informal conversations the question was raised of how KEHATI's efforts could possibly help significantly to stem the prevailing tide of massive environmental destruction in Indonesia. This tide, glaringly obvious to global monitoring groups, has reportedly accelerated in the recent years of decentralization. Multi-billion dollar efforts to harvest natural resources and to generate desperately needed revenue involve major government ministries, major multinational corporations, and major trade and investment initiatives of some of the wealthiest and most powerful nations on earth. Often, this kind of issue seemed too painful to discuss.

Similarly, team questions about the possibility of KEHATI efforts to educate Indonesia's military to curb its notorious environmental profligacy met with dead silence. And a similar silence met questions about the inertial force of Java/Madura/Bali's 140 million people. Can biodiversity programs largely focused upon the 'Outer Islands' prevail against the resource demands of the concentrated center?

Essentially this report has evaluated what must still be seen as a pilot program. As successful as KEHATI has been, its promise remains ephemeral. The footprints and replicability so evident in several of the multi-dimensional KEHATI programs in specific local-level environments constitute a tantalizing map to what is possible. Transformation into enduring and accelerating national impact faces forces far beyond KEHATI's control.

The evaluation team chooses to see these formidable obstacles to success as further testimony to KEHATI's accomplishments in one decade. Community sensitive, skilled professionals, working intimately with dedicated and persevering local partners are actively demonstrating Indonesia's human potential for biodiversity reform. Their cause is just and compelling.

USAID and other American channels of assistance can make a difference in KEHATI's future. With KEHATI's launching into a newly reinforced identity, a new configuration of American assistance is also advisable. The evaluation team foresees new opportunities for KEHATI to compete for grants, fellowships and other American aid options. For instance, KEHATI's skilled professionals and experience with sophisticated regionally based initiatives should make the organization an appropriate partner in some of the larger current USAID programs directed at such targets as natural disasters and water management issues. Moreover, some of the fellowship programs supporting graduate study in the U.S. should fit perfectly with KEHATI's need for professional development and for incentives to attract cooperation of regional university biodiversity specialists.

Few programs have so earned goodwill for the United States in Indonesia as KEHATI has achieved. This benefit can continue and can grow, if we can carefully calibrate continued aid with KEHATI's continued energy and effective efforts.

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APPENDIX A FIELD CASES

A fundamental measure of evaluation in the KEHATI case lies in the efficacy of actual program operations in the field. Team members visited representative sites in Madura, Central and South Kalimantan, East Sumba, and Yogyakarta. These sites exhibited a spectrum of program activities which allowed team members full access to the work of personnel at all levels of the respective implementation efforts. Most visits were conducted by individual team members who later compared notes on findings. During these visits team members made a strong effort to apply a common methodology in their inquiries. Each evaluator reviewed documentation, interviewed key informants and stakeholders, and made site visits within the domain of their projects. While differences among the narratives was inevitable, the emphasis was to assess each activity at the level of its outputs and outcomes. As possible, an attempt was made to assess impacts. Although the team attempted to be as rigorous as possible in this analysis, the lack of baseline data and the difficulty of gathering reliable statistics in the field resulted in findings and conclusions largely based on qualitative, rather than quantitative, data.

SUMBA

The Sumba project is focused upon five villages—Nangga, Janggamangu, Praimadita, Nggongi and Tandulajangga—located adjacent to (and, in one case, reaching into) the Laiwanggi-Wanggameti National Park. All the villages, as well as the park, depend on the health of a common watershed. Both biodiversity and closely related education/advocacy dimensions of KEHATI's mission pertain to the Sumba project—which also involves a local foundation, Yayasan Alam Lestari (YAL), an integral part of the entire effort.

Sustainable Practice, Capacity Building, Community Cooperation and Public Policy Advocacy in East Sumba

If a perfect *project* could be imagined beforehand, this KEHATI effort in East Sumba—now in its sixth year of development—might be a good candidate. The obstacles must have seemed Herculean, and still, in 2005 they remain formidable. Yet on-going accomplishments in Sumba offer vivid testimony to the promise and durability of KEHATI's mission.

Today we find a multifaceted biodiverse initiative, confident local stakeholders, and modestly advancing buy-in from authorities at successive levels of remove from the actual project sites. The term, biodiversity, inadequately captures an enterprise which spans fundamental local governance, reversal of environmental degradation, development of sustainable and vital new agricultural practices, public education, community cooperation and capacity building, and public policy advocacy.

Present success must be seen against a backdrop hard to fathom from distant Jakarta or Java, or any of the other 'major' islands whose names are generally recognizable to outsiders.

First, to people in the project villages, Indonesian is a foreign language. As one village leader said, *Some farmers understand a little Indonesian, but none are comfortable speaking it...*

Second, until six or seven years ago there was no local government here, no community meetings whatsoever, and no conventions of practice except rudimentary ones associated with regulation of water access (under a very weak version of what is generally known as *adat* law).

Third, until the past few years no road spanned the mountains to ‘civilization’, i.e., Waingapu, East Sumba’s capital city on the north coast. This isolation offered some protection against interlopers, but it also left the area in progressively deteriorating poverty. Dutch, Japanese and then Indonesian forces (military and business) ravaged the area for whatever profit could be harvested (mainly from the forests). The local population found itself regularly forced into various forms of servitude. Multi-generational memories are still sharp on this record of arbitrary political, economic and environmental subjugation and exploitation.

This backdrop is important, for it shows how ambitious any intervention was sure to be, given the abysmal quality of life at the time of inception in 1999. Local inertia, salved by the strength of traditional *adat*, had been a poor match for the long era of encroachment from outside.* Now, a new outsider, KEHATI—with USAID a largely silent, if powerful, partner (and source of the foundation’s seminal fund)—appeared on the scene. Community trust, nearly non-existent, would need nourishment, and that required immense patience, persistence and relevance.

Terms like *community-based approach*, *sustainable use*, *core competency*, *green paradigm*, and *micro-enterprising*, which so glibly roll off the tongues of foreign development wonks, represent a foreign language several times removed from our villages in Sumba. Fortunately, the residents of KEHATI’s target villages (collectively housing about 12,000 people), because of their exclusion from previous decades of perpetually changing development strategies and buzz words, proved receptive to experimentation with new concepts and language. It was nonetheless a few signal leaders, together with the sensitivity and adaptability of KEHATI personnel, who have brought stunning success during these six years.

Loosely speaking, the six years to date can be broken into three segments, the first surveying the possibles and the prospects, the second building community and partnership, the third advancing through stabilized structures, strong citizen ownership, and public policy conventions and legal enforcement. In practice, the values and practices of all three segments still now remain visible and essential.

During the first two years (1999-2000) KEHATI activity sought basic information on what specific remedies—such as tree varieties, weeds, water strategy, mapping, etc.—might rapidly begin to reverse the impacts of timber extraction, fires (deliberately set), pest and alien species invasion, rare bird and animal poaching and trading, and sharp declines in water supply and purity. On a separate front KEHATI explored opportunities for community-based organization and skill building. The second two-year period (2001-2002) saw major progress in community

* Even today government officials and the well-off tend to blame the poverty of East Nusa Tenggara on sloth while lamenting the progress which otherwise would be quite satisfactory. See The Jakarta Post, April 25, 2005, p5 (*Food Crisis in East Nusa Tenggara Avoidable*); Kompas, 19 Maret 2005 (*Terpaksa Miskin Saat Bisa Hidup Makmur*); Kompas, 7 Maret 2000 (*Pemda Lamban Tangani Kelaparan di Sumba Timu*); Kompas, 10 Januari 2000 (*Rawan Pangan Terus Menghantui Sumba Timur*).

organizing (CO), training of trainers (TOT), participatory rural appraisal (PRA) and in recycling. Yayasan Alam Lestari (YAL), developed broader techniques to raise island-wide consciousness about biodiversity issues and close cooperation with administrative officials of the Laiwangai-Wanggemeti National Park. There also was constant cultivation of federal officials at provincial and *kabupaten* levels of the Indonesian government. Through YAL an internship program also developed, as well as integral professional and research relationships, especially with the University of Nusa Cendana (UNDANA)—in Kupang, West Timor.

Even disappointments and failures, clearly have had positive effects on individual and community confidence. Change necessitates experiment, and experiment almost always is a story of transcending disappointment and persevering toward success. KEHATI partners have not always proved trustworthy, nor have cooperative financial arrangements always proved prudent. Not all trials of ecological remedies have proved fruitful. Yet these setbacks invariably have been offset by advances in fulfillment of the KEHATI mission.

Progress and Outcomes

Finally, in the third, and current, period, we see the most concrete evidence of what the villages, and the larger Sumba community, are gaining. Recycling, compost production, fire prevention in forests and savannahs, figs, bananas, cashew nuts, vanilla, sawah production, animal control and management, alternative fodder development, weed research—these do not constitute an exhaustive list of the measurable accomplishments for which KEHATI can legitimately claim significant credit.*

Leadership, of course, has been essential. Without a local leader of the high caliber of Umbu Ngandji, an old-hand networker/cheerleader like Arie Haudima in Waingapu, and a superb hands-on academic resource person, such as KEHATI enjoys in Dr. Prijo Sutedjo—the powerful footprints in East Sumba seem unthinkable.

Review of the Sumba project raises several issues related to current and future directions. First, undoing hundreds of years of social and environmental damage is not the work of a single decade or less. According to all interviewees, any reasonable projection for transformation of the order underway in Sumba must be on a scale of decades, even generations. Second, the closer that initiative, responsibility and accountability are held to the target community, the more practicable and durable the results are likely to be. Third, unless government officials in relevant departments, at provincial and *kabupaten* levels, become active advocates of biodiversity and related principles of development, the intermediate and long-range impacts of KEHATI will remain limited and vulnerable. This observation is perhaps most pressing in terms of legal incentives, protections and enforcement.

* KEHATI has recently published two very impressive, very accessible, short books/pamphlets for the use at the local level and more widely, on issues of sustainable use and recovery in Kecamatan Kerera where the project villages are located. These are authored by KEHATI personnel and partners. See: 1) Haudima, Arie; Simarmata, Rikardo; Rovihandono, Rio; Ngandji, Umbu. *Panduan Penyusunan Klarat/Aturan Lokal/Peraturan Desa untuk Masyarakat di Kecamatan Karera Sumba Timur* (Jakarta: KEHATI, [2005]) and 2) Soetedjo, Dr. I.N. Prijo. *Pengelolaan Lahan (di Kecamatan Karera, Sumba Timur)*. (Jakarta: KEHATI, [2005]. (With assistance from Arie Haudama, Rio Rovihandono, and Umbu Ngandji.)

Fundamentally, the Sumba project is a telling story of hard won successes on multiple fronts that serve both quality-of-life issues and the conservation and improvement of environment. Also, running through this entire account, testimonials to American support at every level of inquiry flow forth unsolicited and must be cited as a thoroughly positive result of the USAID investment.

KALIMANTAN

During a visit to South and Central Kalimantan the evaluation team observed two KEHATI sponsored programs reflecting different approaches to biodiversity conservation. In Banjarmasin, South Kalimantan, a group of reporters receive assistance from KEHATI to highlight local environmental issues in the region's newspapers and radio broadcasts. In the peat swamp forests around Sungai Puning, Central Kalimantan, KEHATI is supporting a local NGO to empower villagers to manage their traditional forests and lands in ways designed to sustain the resource base and conserve biodiversity. This textbook example of coupling conservation with development has produced significant results but is now at a critical juncture, and care must be taken to ensure that conservation goals are not forgotten.

Raising Public Awareness through the Mass Media in South Kalimantan

In 2001 ten reporters interested in environmental issues started the Kelompok Kerja Wartawan Lingkungan Hidup Banjarmasin (Banjarmasin Working Group of Environment Reporters) with support from government and local businesses. KEHATI assistance began in 2002 with the sponsorship of a visit to the threatened peat swamp forests near Buntok, and has continued to the present. During the period 2001-2004 the group has received donations valued at Rp 270 million of which Rp 108 million has been provided by KEHATI. Other supporters include the Ministry of the Environment, the Banjarmasin City Government, the national electric company (Perusahaan Listrik Negara), Telkomsel, and individual donors.

Currently the group has 14 members comprised of reporters from all Banjarmasin newspapers, the national news agency ANTARA, and Radio Republik Indonesia. They produce a wide range of newspaper articles and radio talk shows highlighting local environmental issues such as flooding, greening efforts, and trash disposal as well as stories with wider appeal such as the loss and degradation of Kalimantan's forests. They obtain material by sponsoring discussion sessions with other reporters and sources, and by conducting excursions to areas of environmental concern in South, Central, and East Kalimantan. Group members have published hundreds of articles on the environment in local papers, the two largest of which (*Banjarmasin Post* and *Radar Banjarmasin*) each have a daily circulation of about 35,000. Some of these are picked up by national news agencies and newspaper chains, thus reaching nationwide audiences. Members report that their editors are eager to publish environment-themed stories, and one member is in a position to assign reporters to cover such stories of his choosing.

The Kelompok Kerja has used KEHATI funds to publish two editions of *Suling*, a 16-page color tabloid dedicated to providing in-depth reporting on conservation issues in Kalimantan. A recent issue focused on the Derawan Islands, an area important for biodiversity in East Kalimantan where KEHATI and partners are conducting community based conservation projects. A thousand copies of each issue are distributed free to stakeholders and bookstores, and articles have been picked up by national news agencies. Government officials have shown particular

interest in receiving the paper and have asked to receive more copies in the future. The Kelompok Kerja is considering accepting ads to defray costs of production. They have had difficulty producing issues on time, and suggest that a stipend be paid to one of their members to take charge of the process.

Feeling encouraged by the success they have had in Banjarmasin, the Kelompok Kerja has begun to work with reporters in Palangkaraya, Central Kalimantan, and Samarinda, East Kalimantan, to establish sister organizations there. All would then contribute to *Suling*, broadening its readership and increasing the likelihood that they could sell ads.

The commitment shown by Fathurrahman, the founder and current leader of the Kelompok Kerja, has been a major factor in its success. He has been taken on by KEHATI as a Simpul (literally *knot*) in charge of fundraising for their Kalimantan Bioregion. The two other Simpuls in the bioregion are for finance and programs. All are part time positions for people who act as field liaisons for the Jakarta KEHATI office. The Simpul system is still evolving, but KEHATI sees it as a way to have a presence in the bioregions without investing in offices and infrastructure.

KEHATI's relations with the Kelompok Kerja Wartawan illustrate a role they often play to good effect. They fund specific activities conducted by a worthy local organization over a relatively long period of time, closely monitoring how their funds are used, but not attempting to dictate the goals or activities of the group. During this relationship KEHATI is in a position to identify and cultivate highly effective and motivated conservationists, bringing them into the KEHATI network in various ways. This method allows local groups to develop on their own but with some guidance, and provides an efficient way to replicate successful organizations and activities.

Natural Resource Management by Villagers in the Blackwater Ecosystem, Sungai Puning, Central Kalimantan

The failure of an ecologically disastrous government scheme to convert 1,000,000 ha of Central Kalimantan peat swamp forest to rice fields in the mid 1990s drew the attention of numerous environmental and community development NGOs. In 1999, 15 of these organizations were involved in various ways, causing confusion and conflicts among stakeholders. KEHATI appeared on the scene in 2000, and eventually the assistance program in the area south and west of the town of Buntok took on the dimensions that it has today. Many of the lessons being learned here are applicable to other KEHATI community based conservation projects.

Seven villages with approximately 6400 inhabitants along the Puning and Barito Rivers are represented in a group called the Yayasan Komunitas Sungai (YAKOMSU). This organization, formed with KEHATI's help, has the objective of conserving and sustainably utilizing the remaining peat swamp forests within the 160,000 ha of community lands while improving the economic well-being of the villagers who live there. Establishment of community based property rights are a key element of this program. KEHATI provides funding and guidance to YAKOMSU and coordinates assistance to the villages from other NGOs and donors. This system continues to evolve along these broad guidelines.

KEHATI activities in conjunction with YAKOMSU have focused on several topics.

- ▶ *Community mapping and zoning.* The local people have mapped village boundaries and current land use within each village. They have been trained to use GPS units, and have translated the instruction manual into their local language. Each village has produced an initial draft of a zoning plan with mapped boundaries and regulations for land use in each zone. Buana Khatulistiwa, an organization affiliated with the University of Indonesia, is contracted to digitize the data gathered in the field, access satellite imagery, and produce maps. Doubts about zoning have developed among some villagers as they have grown to understand that the zoning will curtail their exploitation of natural resources. The idea of designating any forest areas as protected from human exploitation is widely rejected as a form of elitism. KEHATI recognizes these challenges, and understands that overcoming them will be essential to the success of their efforts here.
- ▶ *Fish rearing.* Villagers have traditionally raised fish. YAKOMSU has provided training in aquaculture including ways to reduce disease and increase productivity.
- ▶ *Producing rattan handicrafts and dried fish products.* The people of Central Kalimantan grow at least two species of rattan in natural forest for export. This is an important source of income in many communities and lends itself well to biodiversity conservation. In an attempt to increase local income from this resource YAKOMSU has provided training in basket weaving to women. Marketing of the finished products has not proved successful, perhaps due to substandard quality. Women have also been trained to produce dried, shredded fish (*abon*), but this product has also been unmarketable, primarily due to quality issues. Processing the fish traditionally is time consuming, and the Ministry of Fisheries and Marine Affairs has provided processing equipment for testing. Despite the lack of success with handicraft or *abon* production, the women involved remain generally optimistic and willing to modify and continue their efforts. However some are now requesting training in sewing so that they can make their own clothes, thus saving money rather than producing it.
- ▶ *Honey.* YAKOMSU has assisted with marketing wild gathered honey, provided training in honey processing, and begun trials of artificial hives designed to ease the difficulties of honey collection. Harvest and sale of this non-timber forest product is an especially useful economic activity as it provides a reason to conserve intact natural forest as honey production forest, rather than designating it protected forest, a term unpopular with many villagers.
- ▶ *Blocking canals.* With funding and technical assistance from Wetlands International—Indonesia Programme, YAKOMSU has induced local communities to voluntarily close 12 canals that had been opened in 2001 to extract ramin timber from the forests. Blocking the canals maintains the natural hydrology of the peat swamp ecosystem and eliminates routes for timber extraction.
- ▶ *Institution building.* KEHATI was instrumental in forming YAKOMSU and continues to assist and strengthen the organization. Recently member communities of YAKOMSU have wanted to increase their attention to local economic development by starting cooperatives that will assist with marketing local products. KEHATI has brought in facilitators to advise on this process. As with the zoning, KEHATI will need to exert its

influence to ensure that conservation of biodiversity remains the foundation of economic development.

- ▶ *Interactions with local government.* Interactions with local government officials are limited, however KEHATI does keep the South Barito District Head (Bupati) generally informed of their efforts to establish community based property rights for the Sungai Puning villagers. Relations with personnel from the sub-districts (kecamatan) have been minimal. As the regulations to accompany zoning are finalized they will require official sanction from the District Head. To that end, an important meeting has been scheduled for May 2005 to present the draft regulations for his input. Synchronization of the community developed regulations with prevailing District laws is essential, and will require careful planning by KEHATI and YAKOMSU, including frequent consultations with District officials. It is worth stressing that biodiversity concerns should not fall by the wayside during the negotiations that are sure to ensue.

During the course of the visit several other issues of relevance to KEHATI's activities came to the attention of the evaluation team.

There is no longer any large scale commercial logging within the Sungai Puning area, but local people still cut and raft out timber that is purchased by middlemen living in and around the Barito Selatan District. By now there are few accessible trees of merchantable species that exceed 30 cm dbh, the lower size limit stipulated in the draft village resource management regulations. Law enforcement by police and forestry officials is sporadic, but could be effective if pursued seriously, as rafts of logs going down the rivers are slow moving and easily intercepted. Encouragingly, when the export market for ramin was closed down in 2002, cutting of this species stopped entirely. Given these conditions it is very possible that KEHATI's promotion of village based resource management in conjunction with better law enforcement by local authorities could successfully control commercial logging in the area.

The conversion of forest to rubber plantations by the local people is perhaps more troubling than current logging practices. The preferred sites for planting rubber are on well drained islands of mineral soil surrounded by seasonally inundated peat swamp. These forests are known as *jawuk* in the local language, and although they are only a few meters higher than the surrounding peat, they are free from flooding even during the rainiest years. These areas may play an important role as sanctuaries for terrestrial mammals during the rainy seasons, and they may provide habitats for rare ferns and orchids. There are indications that trees found on *jawuk* in association with symbiotic root fungi called ectomycorrhizae may be especially hardy and potentially useful for reforestation. Attention should immediately be given to finding ways to maintain representative samples of these natural forests, and sound scientific studies are called for.

The Borneo Orangutan Survival Foundation (BOS) has obtained a conservation easement from the central government covering 500,000 ha, including the entire 160,000 ha of the seven Sungai Puning villages. So far there has been virtually no contact between KEHATI and BOS to discuss what this will mean. BOS has grand plans involving fund raising through debt for nature swaps and the Clean Development Mechanism, but as yet has initiated little contact with the people residing within their easement. KEHATI has demonstrated an ability to work effectively with the people of the region, and given that both organizations have biodiversity conservation as a goal, it would behoove them to open a dialogue to find avenues of cooperation.

In summary, continued involvement of KEHATI with the communities of Sungai Puning is necessary if there is to be a realistic chance of improving their standard of living while maintaining a significant portion of the original peat swamp forest biodiversity. The Blackwater Ecosystem Management Project could become a major success story for KEHATI. On the other hand, if the river communities are left on their own at this stage it seems certain that they will over exploit the resources, convert the forests on well-drained soils to agriculture, and end up with an unsustainable lifestyle and impoverished biodiversity. The diligent efforts to date by KEHATI staff and the enlightened community leaders they work with would be wasted.

YOGYAKARTA

KAPPALA works with local community partners in 5 villages in Yogyakarta, and later collaborated with KPPL (Kelompok Peduli Pangan Lokal) who contributed toward meetings and shared learnings on exchanging and providing seedlings, cross visits, etc. KAPPALA and the local partners worked on promoting local various edible tubers for their food security and medicinal values. They also worked with 6 elementary schools in 4 Kabupaten (Districts) in developing a curriculum with their teachers, farmers and parents to teach the students on alternative agricultural practices.

Conservation and Utilization of Tuber varieties and their Multi-dimensional Potential in Yogyakarta

The relationship with tubers and their potential for food security as well as preservation of gene pools in the Yogyakarta area goes back to the period when KEHATI paid significant attention to research activities. In this case, one or two villages were initially chosen as a pilot research site, with UGM (Gadjah Mada University) as the principal investigator. The objective of the research was to assess availability of (a) a number of edible tubers traditionally cultivated and (b) medicinal and nutrient characteristics of these tubers.

After the initial research stage, KEHATI continued the relationship with a local NGO forum, KAPPALA. Its work was a follow-on to previous research, with an additional focus—on the potential socio-economic value these tubers might bring to the individual farmer/family and subsequently to the local community during the first phase of the project, and on development of an agriculture-based class in the curricula of the local elementary and junior high schools.

Villagers initially greeted the current project timidly, for they had not previously looked upon edible tubers as an element of *food security*, let alone as something that might contribute to biodiversity. Especially in the decades following a regime change in 1965, and right up to the 1990s, when the government was vigorously urging the cultivation of high-yield varieties of rice, the use of tubers was ignored. Farmers were made to feel that if they were not ‘with the program’, they would be *outcasts*. As a result, tubers were mostly disregarded and only utilized in the worst of times, such as during long droughts. Knowledge of tuber cultivation and the potential uses of tubers steadily diminished in younger generations.

This project appeared to have been chosen for its high possibility of success and low risk of failure, as characterized by the following:

- The villages chosen as pilot research sites had fertile soil, and an abundance of tubers as well as living knowledge of tubers as food and medicines;
- A long standing relationship with the local communities that KAPPALA (and thus KEHATI) work with;
- Strong commitment from informal and formal leaders, which ensured *mass followers* in the community not by preaching but by following by example;
- High dedication of KAPPALA's staff and staff eagerness to learn and share learnings to/from the farmers.*

Progress and Outcomes

KAPPALA's work has now expanded to more villages which reflect the replication and scaling up of KAPPALA activities. As a forum, it has also undergone some changes in the composition; the number of NGOs has remained the same, but the mixture has changed, with the departure of two and the addition of two others. The changes reflected adjustments and evolution in the common goals of KAPPALA and its members.**

Starting from two villages 5 years ago that still had relatively intact tuber *collections*, fertile turf and rich topsoil, villagers assisted the researchers in identifying the various tuber varieties used as food during lean times or simply as snacks or food supplements. Resulting data subsequently was brought back to the villages, with the intention of helping them to revive these sources of rich nutrition.

One of the consequences of the Suharto regime's enforcement of the use of HYV variety rice was a popular impression that edible tubers were food only for the poor. *Being* poor in Central Java had become a special stigma associated with communism; hence, tubers quickly receded from public familiarity, and eventually farmers under 40-50 years of age couldn't even remember what they tasted like and could not recognize tuber plants when they saw them in the fields. Tuber snacks, earlier favored among children, fell away in favor of factory-produced snacks full of MSG and chemical preservatives, promoted on TV as a symbol of modern living.

From visits and discussions with local farmers in two villages, main findings at the community level included:

- ▶ **Strong motivation toward revival of local tradition such as:**
 - *intercropping* of tubers cultivation, as a means to optimize their *backyard garden* usage;
 - eating tubers as nutritious snacks, free of artificial additives;
 - using every available inch of their land around the house as well as in their field to plant low maintenance tubers that can be harvested for food products as well feeding useful nutrients to the soil;
 - using the leaves as well as the tubers as ingredients in herbal medicine and herbicides.

* Once again, KEHATI's central office presents a different and more expansive picture of organizational cooperation that was not apparent on examination in the field.

** KEHATI's central office proclaims quite a different configuration in which KAPPALA becomes merely one of a number of NGOs and CBOs under a forum concept. This picture does not comport with what the team learned in the field.

- ▶ **Creative ideas emanating from both men and women in finding new uses for tubers:**
 - as ingredient in herbal medicines, with new uses and medicinal characters re-discovered;
 - as an inexpensive ingredient of cookies and cakes using local/regional Indonesian and western recipes (to replace wheat flour);
 - as a new fine grain flour or starch product, used as a medicinal food stuff or simply as an innovative way to extend tuber shelf life.

- ▶ **Satisfaction and gratitude expressed by both men and women benefited by the project results, such as:**
 - Using medicinal herbs/tubers as preventative and curative measures for minor ailments such as headaches, flu, fatigue, ulcers, blood pressure, etc.;
 - Attracting children to consume locally (and healthier) produced snacks;
 - Incorporating an early-education approach in a formal setting (i.e., elementary and junior high school curricula), with a farmer/field-school approach that encourages students to recognize and appreciate an integrated and locally appropriate organic agro-business.

However, if one steps back and further assesses progress at the community level and weighs this as a facet of project management by KAPPALA, the following findings emerge:

- ▶ **Popular expectations mirror KAPPALA's and KEHATI's technical assistance and/or core expertise**
 - Farmers/communities expect KAPPALA/KEHATI to further assist them in how to mass produce and market the processed tubers to answer an increasing demand from the Yogya area
 - Local partners picture KAPPALA/KEHATI as a kind of one-stop-shop that can provide just about everything.

- ▶ **Assessment of project outputs and outcomes indicators, or lack thereof, are apparent at both the community and KAPPALA levels:**
 - Local community and KAPPALA members struggle to describe and explain indicators for output (defined as short term and tangible project results that can be achieved within 12-24 months after project commencement), outcomes (defined as direct and indirect benefits that show changes in the behaviour/practices), and impact (long term direct and indirect internalized/institutionalized knowledge+attitude+behaviour as a result of this project);
 - A disconnect is apparent between measurement of KEHATI's strategic objectives on the one hand, and measurement of local proponents' initiative and contributions on the other.

MADURA

This program involved Pesantren An-Nuqayah in five villages in Kecamatan Guluk-Guluk (sub-district), Sumenep, Madura. The objective of the program was to revive an old tradition of using medicinal herbs (*jamu*) as an entry point toward preservation of medicinal plants' gene pools. This program has expanded to three other non-target villages, as well as attracted other pesantrens, informal leaders in the community, Indonesian Doctor's Association (Ikatan Dokter Indonesia, IDI) in Sumenep, Muhammadiyah University, and the local office of the Ministry of Agriculture.

Traditional Herbal Medicine Development in Pesantren-Based Communities as an Effort toward Healthy Living

The history between Ki Panji, the Head of Pesantren An-Nuqayah in Guluk Guluk (Sumenep), and KEHATI, dates back to the early 1980s when he started to interact with certain young prominent environmental *activists*. These included people such as Ismid Hadad, Agus Purnama Sari, Erna Witoelar, and so forth. All of whom remained active and currently occupy top posts in important government and non-government agencies, and are known and respected nationally and internationally. In 1982, Kyai Abdul Basyith, on behalf of Pesantren An-Nuqayah, received a Kalpataru Award for efforts to save the environment.*

As time progressed, Ki Panji periodically kept in touch with prominent environmental activists, which resulted subsequently in An-Nuqayah becoming a local partner for KEHATI on this project.

An-Nuqayah is a Nahdatul Ulama (NU) based Pesantren, and is a well respected focal point of NU Pesantrens in Madura, where Islamic traditions are strongly practiced. A partnership between KEHATI and An-Nuqayah can be seen as a strategic alliance that benefits both parties, albeit perhaps more for KEHATI than for An-Nuqayah if only because of the potential replicability and scaling up due to the Pesantren's clout and its extensive matriculation of students (in 2005, enrollment stands at 4,000 students from Elementary to Senior High School). In turn, An-Nuqayah was also able to recruit local informal leaders, both men and women, in its efforts to promote this project in the local communities.

The project that An-Nuqayah currently implements with the financial and technical assistance from KEHATI promoting cultivation, production, usage, and selling of traditional medicinal herbs as a means toward preservation of traditional health practices and as a contribution to local economic development at the community level. This is to be achieved through, a) planting medicinal herbs in and around yards/fields, b) teaching and learning how to make herbal medicines for minor and serious illnesses, c) teaching/learning/practicing healing massage techniques such as reflexology, acupressure, and so forth in conjunction with treating *patients* with medicinal herbs, and d) marketing and selling the packaged medicinal herbs in Madura (or East Java).

* Here, as in many instances, authoritative spellings, titles and even individual identities, may vary considerably. An alternative spelling of Pesantren An-Nuqayah is Pesantren Annuqayah.

As in many villages throughout Indonesia, TV and the surge of modern medicine in small towns, even in Guluk-guluk (20 km from Sumenep, eastern Madura), have pushed local traditional knowledge of herbal medicine—and some of the plant species on which this is dependent—to the brink of extinction. Knowledgeable older people grow fewer and fewer, and younger people have come to be less interested in acquiring the knowledge or regard the practices as unsophisticated. The KEHATI project helped An-Nuqoyah to revive the old tradition of medicinal herbs in local communities. This project has been on-going for 4 years, and has another two years to go before the period of KEHATI funding will expire.

Progress and Outcomes

This is another example of a low risk project with high potential for success. The only problem is, that the indicators (benchmarks) of outputs, outcomes, and impacts, are unclear. Project logical framework analysis (LFA, or *Matriks Perencanaan Program*), was a requirement prior to funding. However, the indicators incorporated in the matrix—and their linkage to support of KEHATI's achievements—are unclear.

Furthermore, to the evaluators, the process in which this project was selected as a KEHATI partner presented a big question. Current project staff evidenced no knowledge of how the partnership began, or in fact whether it had achieved the partnership through a proper selection process. In theory, project staff at BPM (*Balai Pengabdian Masyarakat*, the unit which administers the project) have a rotation of every three years, but in practice the duration can be as short as under two years. Project staff are normally final-year students or teaching assistants, who move on soon after they graduate. Institutional memory among staff members thus appears weak, with only Ki Panji (Head of An-Nuqoyah) as the constant in the equation.

It would appear that KEHATI indeed took a *safe route* in using An-Nuqoyah as an anchor or model project. However a close investigation revealed that it would be difficult clearly to ascertain which *footprints* or legacies clearly derived from KEHATI itself and which were merely augmented or expedited by KEHATI support. An-Nuqoyah in the past had also partnered with GTZ (1996), LAKPESDAM NU (1997), USC (1997-1998), UNICEF (1999-2000) and CRP (2002). All of these projects had supported institutional capacity building efforts, community empowerment, as well as some initiatives in health, local economic development, and education.

The KEHATI program at Pesantren An-Nuqoyah, however, places a lot of effort on local economic development as the main focus. The message given to the local communities is that by reviving old traditional holistic approach through cultivating, developing products from medicinal herbs (some of which, are still in abundance and not threatened or rare species), consuming and selling them to cure minor (and not so minor) ailments, they will benefit from, a) healthier living, b) cost saving to families, b) increased income for those who developed home industry dimensions, and (c) saving the environment.

Since this project combines holistic living with local economic development, concerted efforts have been put on learning and teaching a number of traditional healing and massage techniques, such as acupressure, reflexology, and so forth. *Patients* were also encouraged to take certain concoctions of dried medicinal herbs (commonly known as *jamu*) for certain ailments. Some

concoctions are curative, some are preventative *medicines*, and mostly all are sold at affordable prices by the local standards.

The project has attracted prominent people—such as informal leaders—in the strong Islamic community to learn more about *pijat* (massage, with different techniques) and *jamu*. They include Ki Anas (who supports women empowerment and is an active advocate on child protection issues), Ki Shihab (known locally as a healer and who has a collection of over 100 species/varieties of medicinal herbs), Nyi Hasbi (a vocal woman who is also a healer), and so forth. They in turn, get invited to other villages to promote and transfer their skills. This has been so successful that the BPM at the Pesantren decided to run a course called *As-Syifa*, targeting both men and women interested in learning and practicing holistic medicine. The course is packaged for 200 hours' face-time over a three-month period. So far there have been three cohorts over a period of two years, with an alumni now of approximately 200 participants, 50% of whom claim still to practice what they learned on themselves, with a smaller percentage practicing it on others.

The BPM in Guluk-Guluk also collaborated with people in the medical field, including two doctors, over 15 paramedics and midwives, who have been not only supportive but who have also provided outlets for local *jamu* products in their offices/practices. Local people now enjoy more healing options, and they also have the support of standard medical professionals.

In addition to working with people in the medical field, the local KEHATI partner also works with elementary school teachers, both within the Pesantren system and in regular schools in the Sumenep area. The objective of this approach is to provide an early (if not informal) education on the importance of preserving traditional and holistic medicines, as an adjunct to preserving the gene pool of local medicinal plants from the area.

Having said that, there appears to have been a disconnect at the local level on the understanding of the significance of work on biodiversity conservation. First, local people struggle with the term *biodiversity*, and second, they have difficulty articulating changes in their lives in terms of what may be specifically attributable to BPM An-Nuqoyah/KEHATI's project. This may indicate that information on biodiversity and its significance (and the local community's own contribution to the process) was not communicated clearly or successfully. It may also illustrate lack of clear indicators (outputs, outcomes, impact), a problem which appears to be characteristic of the flow from KEHATI, to An-Nuqoyah's BPM, to the community.

While the target audience for this project are both men and women, the organizers of the project are still at BPM An-Nuqoyah, which means predominantly men. Such is the strong paternalistic Islamic tradition adhered to by the communities and the pesantrens in Madura, that women are not allowed to attend meetings in places reserved for men. The only neutral place for women is the *Balai Pengobatan* (Healing Center) itself during certain times of the day. The women and men who have formed their own community based groups (CBOs), normally hold their own meetings separately. This practice, however, does not appear to have impeded their interest and progress.

So successful is the project, relatively speaking, that now there is a surplus of *jamu* products beyond what can be absorbed locally. One women group has written a proposal to KDP (Kecamatan Development Project, a loan to the Indonesian Government by the World Bank),

and was later visited by KDP's verification team. The proposal was written to articulate the women's group needs for start-up capital (soft loans) to lift their own home industry into market outlets for the *jamu* they produce. BP An-Nuqoyah has also started to build a small local healing center that can also serve as an outlet for the local *jamu* products.

The local communities – and subsequently BPM An Nuqoyah – then are faced with marketing their *jamu* products. To answer this need, the BPM has started to build a new outlet, in the form of a new Healing Center in Guluk-Guluk. However, the construction of this center is rather slow as funds were inadequate.

It is Ki Panji himself who convincingly states that to address the marketing problems it will be necessary to: a) create a strong demand for *jamu*, thus creating a strong local market that can absorb most of the products, b) improve the finished (packaged) products so that they can be sold competitively in the open market, and c) create a concrete link to responsible *jamu* producers in Java able to absorb products (finished/packaged or as raw ingredients). He also states that while the project is targeted for the local communities in Guluk-guluk, Sumenep (East Madura), the capacity building efforts for BPM An Nuqoyah are an added bonus, and that the promotion of medicinal plants cultivation and production is an entry point toward good governance (of the community, of the environment).

APPENDIX B
SOW UNITED STATES AGENCY
FOR INTERNATIONAL DEVELOPMENT

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SCOPE OF WORK FOR A PROGRAM EVALUATION FOR THE INDONESIAN BIODIVERSITY FOUNDATION (IBF) PROJECT YAYASAN KEANEKARAGAMAN HAYATI INDONESIA (KEHATI)

I. BACKGROUND

The project title is The Indonesian Biodiversity Foundation Cooperative Agreement No. 497-0384-A-00-5011-00.

Under the Tokyo Declaration of January 1992, the United States and Japan mutually agreed to strengthen their cooperation in preserving the global environment by assisting developing countries in managing and conserving their natural resources. Indonesia is one of the world's foremost centers of biological diversity, and was selected as the first site of a proposed program of coordinated financial and technical assistance for the conservation of biological diversity. The Indonesian Biodiversity Conservation Program, a joint effort between Indonesia, Japan and the US, is designed to conserve Indonesia's tremendous biotic wealth by supporting the implementation of the Indonesia's National Strategy for Biodiversity Management and the Biodiversity Action Plan for Indonesia. The US contribution to this program is through the Indonesian Biodiversity Foundation Project (IBF), which finances a Cooperative Agreement with the Indonesian Biodiversity Foundation, of Yayasan KEHATI or KEHATI.

KEHATI was established in January 1994. In April 1995, KEHATI and USAID signed a \$25.5 million Cooperative Agreement under which USAID provided a \$16.5 million *endowment fund* and a \$2.5 million start-up fund for initial grant making and operating costs. KEHATI was required by the terms of the Cooperative Agreement (CA) to provide \$6.5 million as a matching fund. USAID amended the requirement in October 26, 2004 to \$2.8 million.

The completion date of the cooperative agreement is March 29, 2005. Guided by a strategic plan and an annual work plan KEHATI has built networks and collaboration with and between public, private, and community organizations and universities. KEHATI has awarded grants to numerous local NGOs to support activities on promoting biodiversity conservation, and the number of grants has gradually increased from 4 in 1995 to 230 in 1998. Most of the grants were in the range of \$ 5,000 - \$ 30,000.

In accordance with the development of the foundation as well as the Indonesian socio-political conditions, KEHATI's strategies have evolved. For example: in 1998, KEHATI focused on how people can benefit from biodiversity conservation; in 1999 KEHATI transformed its implementation approach from project-based into more long-term programs that emphasize decentralized community-based program planning, design and implementation; in mid 2002, KEHATI put its program emphasis on assisting a concerned, empowered and self-reliant society in the efforts of conservation, tenure, management and utilization of biological diversity in an equitable and sustainable manner.

II. OBJECTIVES OF THE EVALUATION

KEHATI conducted one external evaluation in March 2000 to review the foundation's performance and develop improved implementation strategies. Results of the recommendations

included the need to clarify KEHATI's vision, mission, programs, roles, functions and strategies and to disseminate these to partners. Several internal evaluations as well as financial audits were carried out during the life of the Cooperative Agreement.

Article M.4 of the Cooperative Agreement, Continuing Requirements, states that "... the USAID-funded endowment may continue into perpetuity, certain requirements, specified below, must continue to apply to the endowment as long as it exists, even after this Cooperative Agreement ends." As required by the Cooperative Agreement, a final evaluation will provide KEHATI with recommendations for a new management strategy to be implemented after completion of the cooperative agreement with USAID by 29 March 2005. Specifically, the evaluation will:

- a. Evaluate KEHATI's performance against the objectives stated in the strategic plans (1998-2002 and 2002- 2007) and supporting work plans.
- b. Recommend improvements to the current strategic plan including resource mobilization policies and program implementation approaches.
- c. Evaluate and make recommendations for KEHATI's future role as: facilitator, grant maker and/or implementer.
- d. Recommend the appropriate level of USAID oversight following the Cooperative Agreement.

III. LEVEL OF EFFORTS

The evaluation is expected to cover approximately 20 working days.

The Evaluation Team or 'Team' will consist of four members. Work shall begin on about April 1, 2005.

A more detailed work plan will be developed once the team is on board, but tentatively the schedule will be as follows:

- Day 1: the Team's ETA in Jakarta
- Day 3: begin to work
- Day 4: work plan due
- Day 3 – 10: data collection
- Day 11 – 15: analyze data and prepare a draft report.
- Day 17: presentation of a draft report to KEHATI and USAID.
- Day 17 – 20: KEHATI and USAID to comment on the draft report.
- Day 18: Team members dissolved.
- Day 20: final report completed.

IV. LOGISTICAL SUPPORT

The Team will be located at KEHATI Office at the Patra Jasa Building, 2nd Floor, Jalan Gatot Subroto Kav.32-34, Jakarta. Telephone: 62-21-522 8031 or 62-21-522 8032. USAID will also provide the Team with one joint room and a desktop computer for report writing and other email correspondence.

V. TASKS

The evaluation Team will undertake the following tasks:

Review Background Information, Meet Key Contacts and Visit Field Sites

KEHATI will provide background materials for the Team to review. The Team will meet with KEHATI board members and staff, and key officials from KEHATI's partners: Ministries of Environment, Forestry, Fisheries and Marine Affairs; Bappenas, USAID/Indonesia, and Donor organizations, Universities, NGOs and private sector firms involved in biodiversity conservation projects. Members of the Team will also visit at least five grantees with ongoing biodiversity activities funded by KEHATI. The Team shall also refer to <http://www.KEHATI.or.id> for further information.

Assess Key Issues

The Team will review the following, but not limited to, key issues:

Achievement of Strategic Objectives: KEHATI performance in the period of 1998 – 2002, under the current strategic objectives.

Results framework: KEHATI's results framework for its strategic plans, and indicators for results.

General Management: KEHATI's performance as a grantmaking institution and a facilitator; possibilities of KEHATI for becoming a program executor; as well as potentials for decentralizing management authority to the bio- and eco-regions.

Program Management: existing program management and recommendations for improvements.

Financial management: operating costs vs. grant program funding levels; recommendations for improving the existing 'green funds', review financial constraints, and recommendations for improving the present fund raising strategy, and potential for developing trust funds in the regions.

Future "Relationship" of KEHATI - USAID/Indonesia: the USAID-funded endowment shall continue into perpetuity. USAID will still have a role in oversight of the endowment after the Cooperative Agreement expiration date. Recommendations are needed for the KEHATI – USAID relationship after March 2005.

VI. REPORTING AND DISSEMINATION REQUIREMENTS

A draft evaluation should be submitted for review by Day 17 and followed by a presentation to USAID and KEHATI. Feedback for the draft report will be conveyed 3 days after the submission. Ten copies of the final report will be due to USAID and KEHATI on Day 20.

VII. INDIVIDUAL TASK ORDERS AND DELIVERABLES

The Team should consist of four senior consultants with a broad range of experience in conducting evaluation work especially on grant making:

A. *Team Leader (Expatriate)*

The Team Leader is also the Institutional Development Specialist. He/she is responsible for the overall results of the evaluation. Qualification include: at least ten years of skills and experience in leading assessments and consolidating reports of numerous team members, and producing polished final reports. Educational background should be from biology, economics, socio-political science and/or environmental sciences. Proficiency in Bahasa Indonesia is preferred. Experience in working in Indonesia or Asia is highly considered.

B. *Senior Biodiversity Conservation Expert (Expatriate)*

Must have 10 years of experience in collaborative management of natural resources across a broad range of sectors and stakeholders, and have relevant experience in conservation, sustainable utilization and benefit sharing of biodiversity resources in Asia-Pacific countries, understanding in institutional, social, economical and ecological aspects of biodiversity is needed. Working experience in Indonesia is preferable. Proficiency in Bahasa Indonesia is preferred.

C. *Senior Social Scientist/Local Government Expert (Indonesian)*

Must have expertise in capacity building and community development in environmental programs. He/she must have relevant experience across a broad range of policy and program implementation issues at national and regional levels, experience in working in issues related to grant making programs in information, and policy advocacy programs.

D. *Fund-Raising/Endowment Fund Specialist (Expatriate)*

Should have experience and knowledge in assets investment of a trust fund and its management where funds are invested in the U.S market. He/she should also have the expertise in fund-raising techniques and methods.

VIII. ROLES AND RESPONSIBILITY

The Team will be under the technical direction of the USAID Cognizant Technical Advisor (CTO). During the evaluation, the team will meet the USAID senior staff, as well as members of the Board of Trustees and the Executive Board. The final evaluation report will be produced by the team and be approved by the USAID CTO after consultation with the KEHATI staff.

IX. SPECIAL PROVISION

The Team members will have access to any information at USAID/Indonesia related to KEHATI as part of the background material as well as data collection. The Team members will also have access to any information in possession of KEHATI as needed to carry out their tasks. Information will include all documents such as the January 2000 Evaluation Report, Strategy Plan 1998 – 2002 and Strategy Plan 2002 – 2007, Grantmaking Guidelines, Fund-Raising Strategies, Annual Reports, Warta KEHATI, staff reports, internal memoranda, minutes of Executive Board meetings, data on the existing database, and the proceedings of annual Board meetings.

The Team members will not disclose or deliver, or use for personal gain or for the benefit of any person or entity without the consent of USAID and KEHATI any restricted or confidential information during the course of the evaluation.

The Team members shall bring their own laptop or notebook computer since USAID can only provide one joint room with one computer for the Team. Rental of computers is allowed under the contract.

X. CRITERIA FOR SELECTION

Procurement will take place under a task order issued against the USAID Development Information Evaluation Services IQC. This will be a Tier 2 competition, with selection being based on the qualifications of the short-term expatriate and Indonesian specialists to be employed on the Contractor's team, plus a brief description, not more than 3 pages in length, describing how the proposed team members will be deployed during the period of the evaluation to meet the requirements and achieve the objectives outlined in the Scope of Work.

The Contractor shall provide resumes for each specialist proposed. The Contractor shall accompany the resumes with a brief (not more than three pages) written descriptive rationale for the deployment of the proposed specialists, citing the appropriateness and utility value of the particular skills they offer in relation to evaluation of the KEHATI program.

The criteria for contractor selection are as follows:

1. Technical knowledge, credentials and relevant experience of proposed personnel:

Expatriate	(40 points)
Local	(20 points)

Individuals proposed will be evaluated for their strengths and skills, including:

- a. Education and prior work experience.
- b. Specific experience and knowledge of the area of work for which they are proposed.
- c. For expatriates only, Indonesia-specific work experience and fluency in Bahasa Indonesia.

2. Appropriateness of mix and deployment of advisors (20 points)

Proposals will be evaluated on the mix of skills included in the Contractor Team and the allocation of responsibilities among the expatriate and local members of the team. The Contractor's proposal shall include a brief description, not more than 3 pages in length, showing how team members will be deployed during the period of the evaluation to meet the requirements and achieve the objectives outlined in the Scope of Work.

3. Past performance (20 points)

Proposals will be evaluated for past performance of the Contractor on similar activities. Contractors should submit evidence of past performance, with particular emphasis on work in Indonesia and endowment schemes on biodiversity conservation.

APPENDIX C

EVALUATION TEAM DRAFT PROPOSED EVALUATION PURPOSE STATEMENT (I.E., WORK PLAN)

Submitted to USAID/Jakarta on Wednesday, April 20, 2005

PURPOSE OF THE EVALUATION

USAID/Indonesia, under the 2004-2008 Strategic Plan, seeks to “strengthen a moderate, stable and productive Indonesia.” One facet of this plan is “to adopt an ecosystem approach as the framework of its activities by considering the conservation and sustainable development objectives of human health and livelihoods at a landscape level.” This evaluation looks back over the first decade of the Indonesian Biodiversity Foundation (IBF) Project (Yayasan Keanekaragaman Hayati Indonesia — KEHATI) to assess its accomplishments and its further potential. In formal terms this is a final evaluation in that it brings closure to the planned initial period of KEHATI’s existence while helping to point the way to future directions. The present evaluation seeks credible information on the current relevance, effectiveness, impact, sustainability, performance measurement, financial health and financial monitoring of KEHATI and recommendations both at an overall or macro level and at the hands-on or micro level. Based on examination of the SOW and further guidance from USAID, the team has determined that the purpose of this evaluation should be to assist this process by providing data, analysis and insight that will help the Mission in its decision-making about future KEHATI support. Equally important, the team will endeavor to assist KEHATI to assess its own options in light of previous accomplishments.

EVALUATION STRATEGY

In January 2000 a mid-term evaluation of KEHATI was completed. Today’s discussions with mission staff have led to the team’s concurrence to review the foundation’s evolution in Indonesia from the beginning but to emphasize certain key questions about strategic contours, management portfolio and oversight conventions. At present KEHATI is midway through its 2002-2007 Strategic Plan, a plan which antedated the USAID Strategic Plan but which comports well with the USAID plan’s principles.

The objectives of the evaluation specified in the SOW are:

- a. Evaluate KEHATI’s performance against the objectives stated in the strategic plans (1998-2002 and 2002-2007) and supporting work plans; as well as against new trends and future opportunities in Indonesia.
- b. Recommend improvements to the current strategic plan including resource mobilization policies and program implementation approaches,
- c. Evaluate and make recommendations for KEHATI’s future role as: facilitator, grant maker and/or implementer, and other roles as yet undefined.
- d. Recommend the appropriate level of USAID oversight following the Cooperative Agreement.

The team will review key issues specified in the SOW but, with encouragement by USAID, will also address issues suggested by KEHATI in preliminary discussions of recent months. The key issues and approaches to them are listed below. Additional issues are anticipated in the course of the inquiry.

1. ACHIEVEMENT OF STRATEGIC OBJECTIVES

KEHATI performance in the period 1995-2005, under pertinent strategic objectives.

- a. During the life of KEHATI, how many times have the Strategic Objectives changed? What were these changes? What caused or contributed to these changes?
- b. What was the relationship, or relevance, or correlation among achievements in the different stages of KEHATI's development under changing SOs?
- c. If one were to draw a diagram, or flow chart to provide a visual tool to summarize linkages among SOs, to depict changes that occurred, what would it look like?
- d. Referring to KEHATI's staff, partners, USAID, and other stakeholders, if one were to revisit the strategic objectives, what might one see as relative strengths and weaknesses? What can be recommended to improve the trajectory?

2. ISSUE AREAS

Achievement of success in core areas of KEHATI's programmatic functions in so-called *issue* areas, such as: policy advocacy, public education, resource center establishment, university research

- a. Do the biodiversity core grant activities fit effectively with the purportedly closely related issue projects?
- b. When the strategic and core elements are seen as a whole, do they convey synergy or confusion?
- c. Have the *issue* activities effectively reached a national constituency as projected in the strategic plan?

3. RESULTS FRAMEWORK

KEHATI's results framework for its strategic plans, and indicators for results.

- a. What have been the difficulties encountered in verification results/achievements?
- b. What enabling and disabling factors contributed toward KEHATI's successful or not so successful results/outcomes/impacts? These may be further classified into internal factors (e.g., program design, management structure, organizational capacity) and external factors (e.g., technical and political issues, such as climate/weather, decentralization laws, major political events, funding schedules, and the like).
- c. How does KEHATI support its local partners' sustainability and/or its local partners' self-replication (or scaling up) of activities?
- d. What (evidenced) "footprints" has KEHATI left behind—either directly or through its local partners? What is the significance of these footprints in relation to KEHATI's vision and mission, and in relation to its local beneficiaries or partners?

4. GENERAL MANAGEMENT

KEHATI's performance as a grant-making institution and a facilitator; possibilities for KEHATI becoming a program executor; as well as potentials for decentralizing management authority to the bio- and eco-regions.

- a. In what role does KEHATI best see itself? As facilitator? As program executor/implementer? As grantor? Which role(s) do the current capacities best support?
- b. What are strengths and weaknesses in the current system of policy and decision making within the KEHATI hierarchy? What is the extent of decentralized or autonomous authority in the regional offices? What measures would be needed further to decentralize field operations in the future?
- c. How does KEHATI respond to emerging issues identified by local partners? Or to inputs derived from regular participatory (internal) monitoring/consultation and evaluation (if applicable)?

5. PROGRAM MANAGEMENT

Existing program management and recommendations for improvement and capacity-building.

- a. To what extent do current management and management structures perform well—in areas such as: efficiency, collegiality, delegation of authority, accountability and responsibility?
- b. What type of assistance, if any, is provided by KEHATI through its technical staff? Is Organizational Management assistance provided by KEHATI to its local/regional partners?
- c. Through what mechanisms/processes does KEHATI manage its technical and administrative staff in addressing issues in the field as faced by local partners? How much time is spent in the field as opposed to in the office?

6. FINANCIAL MANAGEMENT

Operating costs vs. grant program funding levels; recommendations for improving the existing 'green funds', review financial constraints, and recommendations for improving the present fund raising strategy; and potential for developing trust funds in the regions.

- a. What are the respective allocations and percentages of funds utilized for running the office, travel costs between the Jakarta office and the regions (and local projects), consultants (domestic and international), grants, media development, public relations, fund-raising, and trainings/workshops.
- b. What kinds of challenges does KEHATI face in its fund-raising efforts? How can these best be addressed?
- c. What alternatives opportunities are there for KEHATI to grow, beyond the current USAID support?
- d. Suggest alternative income-generating activities, e.g., through a publications program.

7. FUTURE “RELATIONSHIP” OF KEHATI — USAID/INDONESIA

The USAID-funded endowment shall continue in perpetuity. USAID will still have a role in oversight of the endowment after the Cooperative Agreement expiration ends. Recommendations are needed for the KEHATI—USAID relationship after March 2005.

- a. Weigh the advantages and disadvantages of the current Cooperative Agreement. Perceptions on both sides, and also perceptions of on-lookers.
- b. To what extent does the *oversight* assist or impede the mission of KEHATI? For instance, does it affect the stewardship of KEHATI’s executive board and other advisory and monitoring bodies?
- c. Does KEHATI *need* a cooperative agreement at all?
- d. Weigh the advantages of a maximally independent KOHATI. Would KEHATI’s appeal to donors and other sources of funding be enhanced or diminished through genuinely independent status?

APPENDIX D

KEHATI STRATEGIC PLAN, 1998-2002: BIODIVERSITY FOR THE SURVIVAL OF HUMANKIND

THE EMERGENCE OF A HOPE

Indonesia is one of the three countries that are blessed with the greatest and most diverse biological resources in the world. This natural wealth can be sustainably utilized for the welfare of the Indonesian population.

In order to realize the above goal of conservation and sustainable utilization of Indonesia's biodiversity, in January 12, 1994 a non-profit and independent institution called the Indonesian Biodiversity Foundation, which uses the Indonesian acronym: KEHATI, was established in Jakarta. KEHATI's existence is closely linked with Indonesia's commitment to implement the Convention on Biodiversity resulted from the Earth Summit in Rio de Janeiro and also as a consequence of a cooperative agreement between the governments of Indonesia and of the United States of America, as part of the global effort to prevent erosion of biological diversity and at the same time promoting its utilization so as to enhance the quality of life of humankind.

Thus, KEHATI is expected to play a key role in mobilizing resources through an endowment fund which will be utilized to provide financial assistance, experts, consultancy services and facilities in supporting activities relating to conservation and sustainable utilization of natural resources in Indonesia. In the meantime, fund raising activities will also be organized to call for financial support from other interested groups and funding agencies. To that end, KEHATI fosters cooperation and partnerships with community groups that are engaged in activities relating to natural resources and biodiversity. These groups include government institutions, NGOs, professionals, academicians, environmental experts, entrepreneurs, religious and cultural leaders, and the mass media.

In the first three years of its career, KEHATI focused its attention internally, that is to say strengthening the organization and its infrastructure, developing cooperation with relevant institutions (particularly those belonging to the government), academicians, professionals and local community groups. It is now time for KEHATI to restructure and refine the programs so that they properly in line with KEHATI's vision and mission.

This strategic plan is aimed to be the guiding principles of KEHATI in carrying out its function and daily activities. Various groups, including relevant government institutions, experts, community groups, consultants and informal community leaders were involved in the preparation and the formulation of this strategic plan. In accordance with its function, this strategic plan is categorically a long-term plan. Nonetheless it was so formulated to be sufficiently flexible to respond to changing conditions.

MOVING AHEAD

With the enormous wealth of biotic resources, Indonesia has a great potential to utilize sustainability her biological resources, to meet the basic needs of the population: food, clothing, housing and medicine. Through biotechnology, Indonesia has the option to harness the diverse biological resources in a more effective way; for example, breeding of food crops, industrial plants, ornamental plants, forestry, cattle, and fish. Some governmental research institutions and universities as well as a number of private enterprises, are beginning to work their way toward this goal.

As a renewable resources, biodiversity is an everlasting source of income and may serve as the basis of bio-industrial developments such as bio-pesticides, biofertilizers, waste treatment, and so on. With biodiversity as the basic foundation, supported by a real demand from the world market, the chance is great for Indonesia to develop various industries, such as pharmaceutical, cosmetics, aromatic compounds, and ecotourism. Biodiversity is a highly valuable asset, and has been the life blood of our traditional multi-ethnic population, with their differing cultural affiliations for which a variety of biotic products is required to meet the needs of their physical and spiritual lives. Biodiversity awareness has potentially been implanted in the minds of the larger proportion of the Indonesian population who, in many ways, are ardently religious. And the religiosity of the population should be very conducive to the development of a society in which harmonious and balanced relationship between man and God, as well as between man and the living environment are their pattern of life. An intact biodiversity is also important for the establishment of a sustainable living environment, which is at the same time capable of meeting human needs, including biophysical (air, clean water and food), aesthetic and spiritual needs.

KEHATI is expected to play a key role in mobilizing resources through an endowment fund which will be utilized to provide financial assistance, experts, consultancy services and facilities in supporting activities relating to conservation and sustainable utilization of natural resources in Indonesia.

Despite the good chances and opportunities referred to above, Indonesia is confronted with some real challenges, including:

- High rate of population growth and increasing consumption demand, coupled with widening gaps of living standards between the rich and the poor, despite the rapid economic growth;
- Low level of awareness, understanding, concern, and knowledge regarding conservation and utilization of biotic resources;
- Weak institutional infrastructure of the system responsible for the management, conservation and utilization of the biotic diversity;
- Weak competitiveness of Indonesian biodiversity products to enter the world market;
- Low capability and concern of the community on matters relating to biodiversity. In the mean time, biodiversity is still outside the main stream of the national development policies; and
- Inadequate development of science and technology concerned with conservation and utilization of biodiversity.

Biodiversity is a highly valuable asset, and has been the life blood of our traditional multi-ethnic population, with their differing cultural affiliation for which a variety of biotic products is required to meet the needs of their physical and spiritual lives.

GETTING ALONG WITH REALITY

The strength of KEHATI lies in the fact that there is a strong commitment rendered by the founders and guardians, to drive and foster community activities that relate to conservation and utilization of Indonesian biological resources. This is to be implemented by way of providing financial support made available initially through the endowment fund granted by the US government.

As an independent foundation, KEHATI is governed by a Board of Trustees, Executive Board and Executive Director. The Boards prescribe the general policy and the code of conduct, which become the guiding principles for the Executive Director in managing the day-to-day activities. The Board of Trustees is composed of 22 distinguished Indonesian and international experts, representing various community groups, namely: academicians, researchers, NGOs, religious leaders, and cultural leaders. On top of that, KEHATI is grateful to receive the support of various governmental and international institutions.

Conversely, KEHATI also has some inherent weaknesses. One is the limited number of professional staff to carry out the work and the currently existing cooperative network that still needs to be upgraded. Another concern is with the programs which need some refinement to be constant with KEHATI `s vision and missions yet other is the need to strengthen the capability of KEHATI to develop strong partnerships with the stakeholders, since the success of KEHATI depends a great deal upon the effectiveness of such partnerships. The discouraging fact is that efforts to conserve biodiversity and to rehabilitate degradation go on at a lesser rate in comparison with that of the depletion and erosion of the biotic/genetic resources.

The discouraging fact is that efforts to conserve biodiversity and to rehabilitate degradation go on at a lesser rate in comparison with' that of the depletion and erosion of the biotic/genetic resources.

OBJECTIVES TO BE ACHIEVED

Realizing its strengths as well as its weaknesses, KEHATI is determined to go after the following objectives:

- Establishment of community groups that have better understanding and awareness of the importance of biodiversity for the survival of humankind on this planet;
- Development of cooperative networking and empowerment of stakeholders in dealing with biodiversity conservation in the country and abroad;
- The accumulation of funds to enhance institutional capability and performance in producing legal framework and regulatory instruments: laws, regulation, policies, systems and procedures that are supportive to sustaining biodiversity resources of Indonesia; and

- Implementation of financial assistance, technical assistance, education and consultancies to foster conservation and sustainable utilization of biodiversity.

FORWARD TO THE TARGETS

To approach the above mentioned objectives and its targets, KEHATI will take the following actions:

- To disseminate information in order to promote communication and education on the importance of biodiversity to:
 - (a) the general public through the mass media.
 - (b) selected target groups such as NGOs, educators, community leaders, religious leaders, planners, decision makers, and so forth, through seminars, conferences, workshops, other means of formal and/or informal discussions;
- To support and provide facilities for the development of networking among the stakeholders through provision of financial and technical assistance, consultancies, education, and field training;
- To stimulate the execution of joint and integrated programs among the network's focal points;
- To stimulate the execution of joint and integrated programs among the network's focal points;
- To support education and training programs on conservation and utilization of biodiversity; and
- To raise funds through formulation and marketing of KEHATI's programs to funding agencies, public and private enterprises, philanthropic organizations and environment loving communities, within the country, and abroad.

PROGRAMS FOR 1998 - 2002

Based upon the above mentioned strategic considerations and objectives, for the next 5 (five) years (1998 - 2002) KEHATI will implement the following 4 (four) key programs:

PUBLIC AWARENESS

To create a society that is aware of, and concerned about the importance of biodiversity, KEHATI will do the following activities:

- To disseminate information and knowledge on biodiversity and all its aspects to the public at large, through mass communication media: printed, electronic, as well as traditional;
- To provide education and training for the communities, so that they become more aware and concerned about the importance of biodiversity to the general public, and to humankind as a whole;
- To promote the initiative of the society at large, including the rural community, entrepreneurs, decision makers, and the policy makers, to be involved directly or indirectly in the mission to save biodiversity, manifested in the form of extension services, information services, leadership and guidance;

- To urge planners, educated people, and entrepreneurs to always take account of the environment and biodiversity as opportunity costs to be incorporated in the capital costs of industrial development and to consider the biodiversity factor as an integral part of the general development policy; and
- To invite local and traditional communities to take part in the conservation and sustained utilization of natural resources, using socio-religious and cultural approaches.

COMMUNITY EMPOWERMENT

To enhance community capability and empowerment, KEHATI will carry out the following activities:

- To develop the capability of local stakeholders in managing organizations, making effective networking, and in upgrading the role of each stakeholder and the network's focal points in empowering local communities to conserve the environment;
- To formulate programs, curriculum and produce training materials to upgrade organizational capability, and to empower stakeholders in accordance with the needs, problems and challenges encountered in the field;
- To train trainers and organize training programs for would be trainers in a number of training centres managed by stakeholders who are the network's focal points in various parts of Indonesia; and
- To support the empowerment of experts, researchers, educators, consultants, and other professionals, including networking horizontally and vertically, by way of supporting seminars, workshops, informal and panel discussions, publications, and so on.

CONSERVATION AND UTILIZATION OF BIODIVERSITY

To tackle biodiversity problems in the field and in different bio-regions, KEHATI plans to do the following activities:

- To develop integrated activities covering various aspects namely conservation, sustainable utilization, sharing of benefits obtained from the utilization of biodiversity, enlisting the economic potential of biodiversity and identifying useful indicators for its depletion;
- To stimulate cooperation among institutions, scientific disciplines, and stakeholders, so as to attain synergic action, and in that way the harmonious path: policy - research - development - field application, can be achieved; and
- To assess government policies of various sectors that are concerned with conservation and utilization of biodiversity, identify possible conflicts of interest, and then formulate their adaptability to international conventions ratified by Indonesia. To this assessment include potential conflicts of interests and values between various community groups and the government.

FUND RAISING AND INSTITUTION BUILDING

To have a more effective and efficient organization in carrying out its function and mission, KEHATI intends to do the following:

- To improve the skills, capabilities and professionalism of the staff and personnel of KEHATI, and to strengthen the management and organizational infra-structure;
- To solicit support from funding agencies and donors in the country and abroad, by way of offering cooperative programs that would benefit KEHATI as well;
- To raise funds from various sources; namely domestic, and foreign private enterprises, individuals, groups of entrepreneurs, etc., through proactive approaches, such as organizing cultural evening, banquets, sales of books, posters, souvenirs, etc.; and
- To develop an institutional system that will generate and manage endowment funds to ensure that KEHATI `s programs can be sustained.

In light of the vision, mission and programs listed above, KEHATI calls for active participation of all concerned in the maintenance of biodiversity for the survival of humankind.

Jakarta, January 1998

APPENDIX E

KEHATI STRATEGIC PLAN, 2002-2007: BIODIVERSITY FOR THE SURVIVAL OF HUMANKIND

GETTING ON A STRONGER Foothold

The existence of KEHATI since January 12, 1994 is intended to mobilize resources to be channeled in the form of grant, technical assistance, and other facilities in order to help Indonesia save and conserve its rich biological diversity. During the initial years of its establishment, KEHATI devoted a great deal of its efforts on internal affairs, such as setting up the organization and its own infrastructure and establishing collaboration with associated parties at regional, national and international levels. This endeavor reached a decisive momentum in 1995 with the signing of 10-year (1995-2005) Cooperative Agreement between KEHATI and USAID, which provide grant in a form of US\$16.5 million endowment fund to ensure the continuation of KEHATI as a grant making foundation, specifically for biodiversity in Indonesia.

In the beginning of 1998, KEHATI implemented its 1998-2002 Strategic Plan, setting up its vision and mission along with the programs, intended as a guideline for the application of organizational function. The following year, a Master Plan of Strategic Planning & Organizational Restructuring 1999-2001 was issued. Initially, this step was taken in response to drastic external changes, namely multi-dimensional crisis in economic, social and political context which implicated on the external demand and apparent institutional and human resources limitation at KEHATI. However, as the Master Plan also introduced groundbreaking approaches, it has resulted in fundamental transformation in the execution of KEHATI's programs.

One of approaches adopted in the above-mentioned Master Plan, include the shift from project based into more programmatic, long-term programs. Thus, every supported activity is interconnected and referred to the KEHATI's main objectives and strategy. In addition, with resources constraint and in a bid to be more effective, KEHATI selected several bioregions as the area of priority of its programs. The criteria of bio-regions selection take into account the region's biodiversity potential and threat as well as the availability of institutional support. Earlier there were four concentrated sites, namely bio-region of Kalimantan, Java-Bali, Papua and Nusa Tenggara, but after a couple of years of program implementation, only the first three bio-regions remain.

Decentralization of the program planning and formulation to bio-region level with wider participation of local actors was intended to bring solution closer to the problems. Later on, this strategy has also brought about an increase in numbers and capacity of the institutions involved, both in program management, community organization and business development.

Those approaches have been applied by KEHATI within dynamic inter-relation amongst the three elements of society, namely government, private sector and community groups. In such relations, KEHATI serves as facilitator or mediator both in the context of cooperation and conflict.

With the passing of time, those approaches have been developed into practices and giving valuable lessons for KEHATI, acting as a test for its vision and mission and also for the chosen strategy and programs. Especially during economic crisis, unrelenting changes of social, political and society, the test became more obvious and arduous, when the demand for relevance and effectiveness might turn into hindrance and source of distrust.

Institutional collaboration with USAID must be seen as yet another test for KEHATI, in which it was agreed that a mid-term evaluation should be performed by an external consulting team from US and Indonesia after it run for five years. The report released by an independent consulting team in 2000 concluded that for the first five years of its operation, KEHATI had been successful in building up a working system and turning itself into a credible grantmaking institution, as such is a critical starting point to achieve its vision and mission. However, KEHATI has remained to address many obstacles and challenges in the effort of raising money for conservation and curbing rapid and extensive natural resources destruction and biodiversity erosion in Indonesia.

Meanwhile, four programs of KEHATI from 1999-2002 Master Plan which have been implemented by using programmatic approach are coming to an end and entering phasing-out stage.

The second Strategic Plan (2002-2007) was formulated through a series of in-depth and extensive review and consultation process with stakeholders of KEHATI at different levels and regions, from Sumatra to Papua during the period of four months, yielding a new guideline for the management of KEHATI. Achievement and lessons from previous period, along with future challenges and opportunities were taken into consideration in the formulation of the plan.

At the end of this document, predominating and recurring problems and issues in various sites are summarized into strategic points to be addressed in the years to come. This does not mean that important issues at certain site/region are being ignored. Indeed, such issues are given considerable attention in the course of program implementation in the sites chosen.

NEW DIRECTION AND VALUES

This document is a result of long and thorough consultation process with the stakeholders of KEHATI in all working sites of the foundation all over Indonesia Drawing up the formulation of the foundation's vision, mission, principal values and strategic goals, it has been ratified by the 13th Plenary Session of KEHATI Board of Trustees on February 11, 2002.

VISION

To establish a duly concerned, empowered and self-reliant society in the efforts of conservation, tenure, management and utilization of biological diversity in an equitable and sustainable manner to achieve the highest possible quality of life.

MISSION

To promote and facilitate the efforts of community groups in acquiring land and natural resources tenure as of right, and in building their capacity and self reliance through

collaboration at local, national and international levels to achieve the conservation and sustainable use of biodiversity.

To promote the endeavors of policy reform and law enforcement advocacy at local, national and international levels, in an effort to realize biodiversity-based sustainable development.

To mobilize financial support, resources and participation from the society and other parties as to ensure the continuation of biodiversity programs in Indonesia.

PRINCIPAL VALUES

KEHATI is committed to achieve the above-mentioned vision and mission through a series of programs and activities implemented based on the following values:

- ▶ **Diversity.** *To respect the Earth with all kinds of life on it, along with diversity of living things, pluralism of values, and different choices offered. Therefore, to be different is normal and there should be freedom to choose as to ensure those diversity and complexity, by accepting pluralism of culture, laws, and people's rights. Also, to oppose monoculture and homogeneity efforts or discrimination, and to prevent any sort of domination and hegemony as to create synergy and harmony in the unity among various elements and values.*
- ▶ **Sustainability.** *To prioritize the values of life and sustainable development, by continuously being concerned about environmental carrying capacity, ecosystem balance, and inter-generation interests. Therefore, long-term and holistic insight should remain to be the main concern, through thorough and integrated approaches.*
- ▶ **Self reliance.** *To give priority to community's ability and self-reliance in fulfilling their own needs. To avert and eliminate community's dependency upon others by fostering self-financed and independent resources management, decision making and problem solving. To respect people's rights and freedom to access information and ensure people's prior-informed consent upon every activity to be carried out by other party.*
- ▶ **Concern.** *To retain concern and defense for humanity and life values. To be concerned about all creatures, nature, needy and vulnerable community groups, and customary rights and local wisdom.*
- ▶ **Equitability.** *To develop attitude and behavior which uphold justice. To put into practice benefit and responsibility sharing in equitable, democratic and participative manner, with gender perspective. To provide equal opportunity to all community groups while taking into consideration inter-region and inter-generation equitability.*
- ▶ **Responsibility and accountability.** *To nurture honesty, openness, and responsibility in the community, public and future generation. To develop ingenuous climate, various information availability and willingness to accept criticism, also to pay respect to democratic and participatory decision making process. To promote good governance through a system promoting transparency and accountability, both for the public and the stakeholders.*

STRATEGIC OBJECTIVES

- ▶ *To support biodiversity conservation and sustainable utilization through integrated information management, critical education based on sustainable development principles, and research highlighting the interest of public welfare and considering the precautionary principles.*
- ▶ *To support the endeavors of conservation, sustainable utilization and equal benefit sharing from the use of various biological resources supported by local wisdom based on the principles of diversity, sustainability, self-reliance, concern, equitability and accountability.*
- ▶ *To support the formulation, reform and enforcement of policy and regulations pertaining to sustainable and equitable biodiversity management.*
- ▶ *To develop institutional capability in order to provide necessary resources to ensure the continuation of biodiversity programs by mobilizing financial and non financial support from different parties.*
- ▶ *To develop KEHATI's institutional capacity and governance in support of strategic programs implemented for short term and mid-to-long term.*

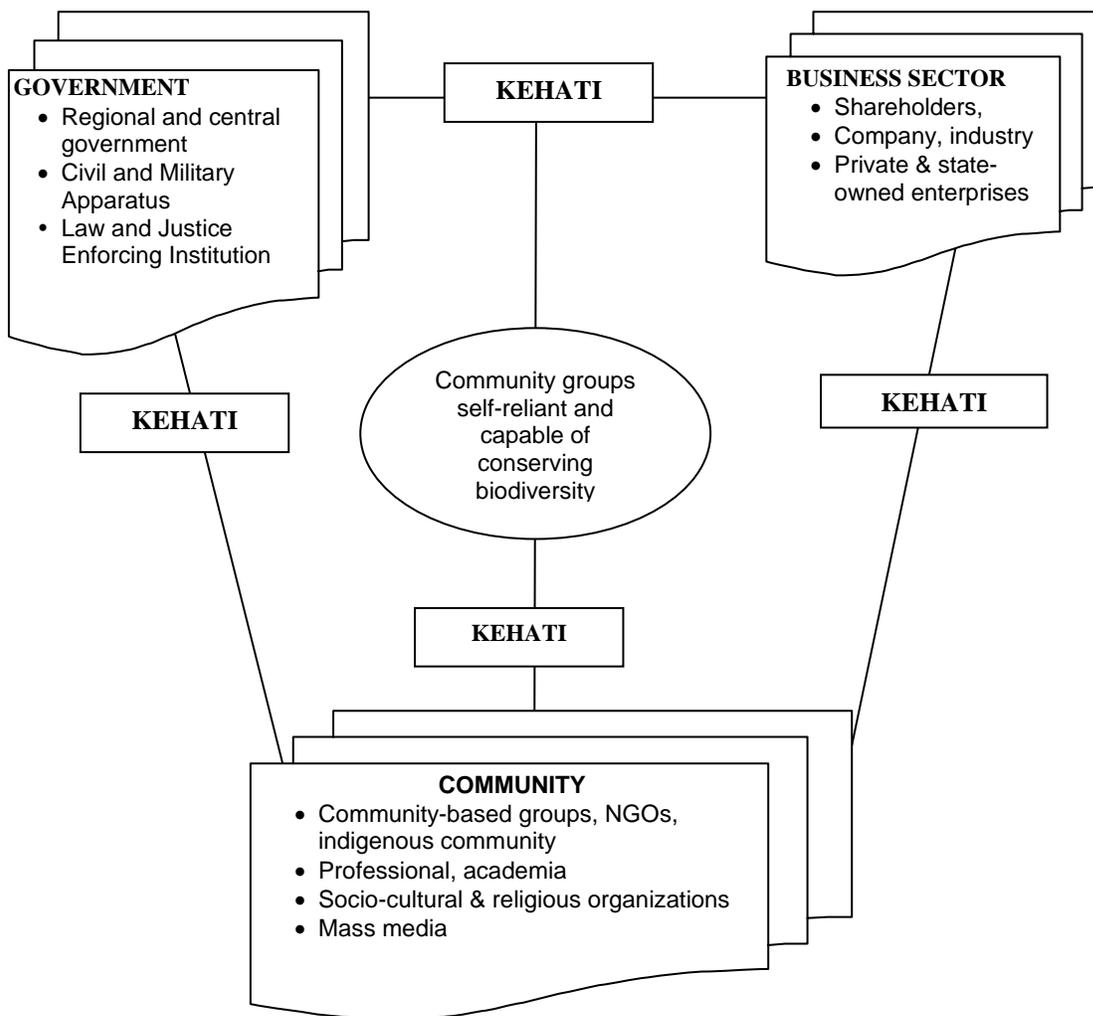
STRATEGIC POSITION AND ROLE

Upon the process of participatory strategic planning, strategic position and role of KEHATI have been formulated as follows:

- ▶ *To serve as grantmaking agency and facilitator, not as a program executor.*
- ▶ *To be an institution which represents the plurality of Indonesian society (from geographic, gender and historical perspectives).*
- ▶ *To act as a catalyst in the process of decentralization which promotes community-based ecosystem management derived from Sustainable Development principles.*
- ▶ *To engage in advocacy for a reform in policy and regulation pertaining to natural resources management and biodiversity conservation.*
- ▶ *To encourage resource mobilization as to ensure self reliance, independency and sustainability of civil society institutions.*
- ▶ *To promote the integration of biodiversity conservation into the mainstream of political, social, cultural and economic decision making, for the best interest of public welfare and nation development.*
- ▶ *To facilitate the establishment of biodiversity information center involving active roles from multiparty.*

- ▶ Pertaining to its strategic role, KEHATI poses itself as a facilitator or acts as a 'bridge' for a range of relationships, both in the context of cooperation and conflict among various parties. The pattern of the relationships is illustrated as follows:

Interrelationship between KEHATI and its Stakeholders



FOSTERING PARTNERSHIP WITH STRATEGIC ELEMENTS

As a grantmaking institution and facilitator, KEHATI has sought the success of its programs by forging partnership with a wide range of institutions and community group, who possess particular competencies corresponding with the foundation's needs. To this end, KEHATI has developed criteria as a guiding principle in building partnership:

- ▶ *Candidates must have strong commitment to biodiversity conservation and sustainable utilization.*
- ▶ *Partnership does not contradict with the vision and mission of KEHATI.*

- ▶ *Candidates and KEHATI share the same vision and mission.*
- ▶ *Candidates show willingness to share resources, risk, burden, authority and power.*
- ▶ *Partnership does not inflict a clash of interests.*
- ▶ *Candidates show competency, accountability and reliability.*

In its effort to develop baseline data, documentation and dissemination of most current information and technology pertaining to Indonesian biodiversity, KEHATI establishes a strong partnership with scientific communities from the universities, research institutions, in addition to community-based groups who traditionally have the wisdom and practices of nature conservation.

To develop education and training on environment and biodiversity, KEHATI collaborates with academic circle (schools and universities), government institutions, NGOs and local communities.

To employ sustainable biodiversity conservation and utilization programs, KEHATI joins forces with technical institutions related to biodiversity, either government or non government institutions, as well as with business sectors having concern, technology and credibility to achieve the targeted objectives.

With regard to issues of policy, system and regulation which bring indirect effect to biodiversity decline, KEHATI teams up with both institution and network of NGOs at local, national and international levels, regional and central governments, legislative institutions (People's Consultative Assembly, local parliaments and national parliament), political parties, mass media and organizations carrying out research on related policy issues.

To support law enforcement efforts, KEHATI collaborates with individual or institution having the competency and accountability, from community-based groups, NGO and law and justice enforcer.

As for resource development, KEHATI works in partnership with donor agencies, business sectors and other parties to realize resource mobilization programs. Particularly for partnership with business sector, KEHATI collaborates with enterprises and private associations that show their concern on social and environmental issues, and have truly applied 'environment friendly' principles in their business cycle. In this case, effort to fulfill the interests and needs of both parties – KEHATI and business sectors — should not raise conflict or violate others' interests. The partnership should be based on mutual respect and brings mutual benefits in every effort made.

Partnerships with strategic groups are built on grant partnership (partners act as grantees) or non grant (collaboration, coalition) frames.

STRATEGY

To develop 2002-2007 Strategic Plan, KEHATI selected several strategies, built on lessons gained from program implementation in the previous period, while considering the latest developments in the execution of Convention on Biological Biodiversity in Indonesia, Indonesian Biodiversity Strategy and Action Plan (IBSAP), the emergence of People's Consultative Assembly Decree No. IX/2001 on Agrarian Reform and Natural Resources Management, the direction and policy of regional autonomy, and estimating degradation rate of biodiversity which is still considered high.

This Strategic Plan has been devised to meet the challenges from the transformation of vision, mission, values, strategic role of KEHATI, in addition to the deliberation of future scenario of Indonesian biodiversity and strategic issues considered very crucial to be dealt with as to promote the capability of the society and the benefit gained from sustainable biodiversity conservation and utilization. KEHATI, thus, will implement five strategies below, which include three grantmaking programs, resources development and institutional and governance development.

INFORMATION, EDUCATION AND RESEARCH PROGRAMS

In managing biodiversity, the availability of data and information is crucial as they serve as reference for program planning and decision making. Therefore, KEHATI encourages appropriate management and dissemination of biodiversity data and information among others through the mechanism of Biodiversity Clearing House.

Environmental/biodiversity education program has spurred understanding, awareness and behavior supporting the efforts of biodiversity conservation and sustainable utilization. Research, studies, development of method, and development of science and technology are essential for sustainable biodiversity management.

1. Disseminating and communicating biodiversity/environment issues to the general public will be carried out through following activities:
 - *Developing alternative media that highlight issues on biodiversity in order to reach out the society in a more extensive way.*
 - *Developing network/forum for journalists and writers who have interest in biodiversity/environmental issues in various areas.*
 - *Collaboration with the press and media.*
2. Provision of data and information on biodiversity, development of information management system at KEHATI and Bioregion Network Center, will be achieved by:
 - *Developing format of information management system and meta database of programs, partners of KEHATI and data on biodiversity.*

- *Facilitating training on operating biodiversity information management system for partners of KEHATI.*
 - *Facilitating the establishment of Indonesia's Biodiversity Clearing House Mechanism.*
3. Education on biodiversity/environmental themes for children in the regions will be done through:
- *Developing effective methods of biodiversity and environment education.*
 - *Developing teachers forum for biodiversity and environment education in different regions of Indonesia.*
 - *Integrating educational method, local potential and wisdom into elementary school curriculum.*
 - *Advocating the adoption of biodiversity and environment perspectives in the national and regional education policy.*
 - *Developing communication and education media for teachers and children.*
4. Research and development for applied technology, applicable to sustainable biological resources management and utilization practices will be carried out through:
- *Developing baseline data on social, economic, and biological aspects of biodiversity dynamic, as well as on ecological and social services of various ecosystems to support sustainable biodiversity management at KEHATI's program areas.*
 - *Developing science and applied technology to support sustainable biodiversity conservation.*
 - *Developing participatory methods for biological/social/economic studies which involve researchers and local communities and encourage biodiversity conservation programs.*
 - *Distributing the results of research and science and technology development as to be applied in monitoring and evaluation system (impact assessment).*
 - *Developing research on sustainable use of biodiversity.*
5. Research, Education and Information Program aims to achieve the following outcomes:
- *Availability of effective and beneficial biodiversity/environment education for children and the public at large in the regions.*

- *Availability of data and information pertaining to biodiversity and management information system both at KEHATI and bio-region network centers.*
- *Availability of research and the use of applied technology to support sustainable biological resources management and utilization practices.*

SUSTAINABLE CONSERVATION AND UTILIZATION PROGRAM

KEHATI foundation holds the mandatory to implement Convention on Biological Biodiversity, particularly to achieve the three objectives of the convention, namely effective biodiversity conservation, sustainable use of biological resources, and equitable benefit sharing from the use of genetic resources.

Conservation can only be accomplished if local/indigenous communities gain benefit from it. There are many proofs indicate the contribution of indigenous community in taking care of biological resources in their area simply by using them in a sustainable manner. For this reason, sustainable management of biological resources supported by traditional wisdom should be fostered. In so doing, enhancement of human resource and institutional capacity is a prerequisite. In addition, greater participation of local community should be encouraged so as to allow them to obtain benefit from those biological resources.

2.1. Sustainable biological resource management supported by local wisdom will be achieved through:

- *Systematically documenting good practices based on local community wisdom.*
- *Developing good practices principles for biological resource management in areas of KEHATI's programs.*
- *Promoting the result of good practices formulation and its application to partners and other stakeholders.*
- *Developing business/service to support both extractive and non extractive biodiversity utilization in compliance with sustainable and equitable principles.*
- *Developing the practices of community-based biodiversity conservation.*
- *Developing genetic resource and seed bank to restore local genetic resources.*

2.2. Human resource and institution capacity building for biological resources management and utilization, implemented through:

- *Capacity building for local facilitators in the bio-regions and areas of priority.*
- *Formulation of strategic plan and program for partners involved in long-term programs of KEHATI.*

- *Provision of training for partners on “Empowerment of Community Organization” and “Financial and Program Management.”*
 - *Technical support by community-based groups on finance and management for community organizations.*
 - *Network building among community-based groups and local resources at bio-region level to develop sustainable biodiversity management and utilization program.*
- 2.3. Increase in financial capacity in sustainable biodiversity utilization will be carried out through:
- *Facilitating the activities to improve local community economy which are based on local biological resources.*
 - *Facilitating joint effort of market expansion by local community to market their biological resources-based products.*
- 3.4. Biodiversity Conservation and Sustainable Utilization Program aims to achieve the following targets:
- *Sustainable biological resources management supported by local wisdom.*
 - *Development of human resource and institution capacity for sustainable biological resources management and utilization.*
 - *Increase in financial/economic capacity for sustainable biodiversity utilization.*

POLICY ADVOCACY PROGRAM

The management and tenure of biological resources in Indonesia for long were entrusted to a heavily centralized government who dominated the authorization and management of such resources. Although since 2001 decentralization has been formally applied in the country, yet people’s rights in the biodiversity management have not been fully recognized. Consequently, the quality of natural and biological resources have been degrading tremendously. Hence, effort to ensure recognition, authorization and management by local community should be fostered. Also, we should strive for the formulation of policy, regulation, legislation and law enforcement which underpin sustainable biological resources management.

- 3.1 *Establishment of communal natural resources tenurial system by local community for sustainable biological resources management, will be achieved through:*
- *Advocating policy to support a communal natural resources tenurial system established by concerned local community.*

- *Compiling customary law or building collective agreement for natural resources tenurial system so as to adopt local wisdom/good practices principles abound in the society.*
- *Building public opinion, via mass media, on the importance of communal natural resources tenurial system by local community to strengthen sustainable biological resources management.*
- *Building strategic alliance with partners and associated parties to support policy advocacy on biodiversity and community-based natural resources management.*

3.2. Promotion of Communal Property Rights and bioprospecting will be done through:

- *Review and dissemination of information on issues related to Trade Related Intellectual property Rights, Farmers' Rights and Communal Property Rights.*
- *Dissemination of information to the executives, legislatives and mass media on issues pertaining to bioprospecting and biopiracy, which inflict a loss upon regional community.*

3.3. Reform and enforcement of regulations related to conservation of fresh/inland water resource supporting biodiversity, carried out through:

- *Raising public awareness on issues of water scarcity, water catchment protection and equitable water distribution.*
- *Creating critical assessment on policy and regulation pertaining to water resource management system and taxation on water and stream utilization.*
- *Advocating policy to protect mountainous ecosystem (upstream), water catchment area, water utilization and river basin management.*

3.4. Legal and policy endeavors in support of natural resources tenure and sustainable biological resources management, will be carried out by:

- *Encouraging legal remedy to realize biological resources tenurial system and sustainable management.*

3.5. Biodiversity issues management, such as genetically modified organisms and policy/regulation development regarding invasive alien species, access to genetic resources, etc., done through:

- *Advocating the adoption of precautionary principles approaches in the development of policy and regulation on invasive alien species.*

- *Encouraging the adoption of precautionary principles approaches and prior informed consent from local community in government policy regarding transgenic plants and genetic engineering-based products in Indonesia.*
- *Familiarizing regulation on invasive alien species and the importance of biosafety in KEHATI's area of priority.*

Policy Advocacy Programs aims to achieve the following targets:

- *Availability of natural resources tenurial system by the community for sustainable and equitable biological resources management.*
- *Promotion and application of Farmers' Rights and Communal Property Rights, as well as equitable bioprospecting.*
- *Reform and enforcement of law on fresh/inland water utilization.*
- *Availability of legal remedy to support natural resources tenurial system and sustainable biological resources management.*
- *Application of precautionary principles and prior informed consent approaches from local community on policy pertaining to biodiversity issues, such as handling invasive alien species and genetically modified organisms, access to genetic resources, etc.*

COMMUNICATION AND RESOURCES DEVELOPMENT PROGRAMS

This program is developed by building a synergy between communication and fund-raising efforts for the following targets:

- 4.1. Mobilizing support from business sector and general public, to be carried out through:
 - *Social marketing campaign, via mass media or exclusive media, to build awareness and concern on biodiversity in Indonesia.*
 - *Developing program/scheme to facilitate support from business sector/general public in an effort to raise fund and other resources in support of continuous programs of KEHATI.*
- 4.2. Mobilizing funds from government and non government source, domestic and overseas, to meet the need of complimentary fund of KEHATI's ongoing program and to increase the value of endowment fund of KEHATI or to create a new trust fund, will be executed by:
 - *Developing media and other tools to communicate KEHATI's programs and its recognized achievements.*

- *Developing program and/or project proposal, along with grantmaking programs, to be proposed to national or international donor institution, bilateral and multilateral institution or private foundation, as to gain additional/complimentary funds.*
 - *Establishing trust fund for natural/environmental conservation through different innovative conservation funding mechanisms, inter alia from bilateral debt conversion scheme (debt-for-nature swaps) or other funding mechanisms and resources.*
- 4.3. Creation of business units to support management and marketing of products from grant programs which are economically prospective and potential.
- *Performing studies on product and market potential for KEHATI and partners.*
 - *Developing collaboration and profit sharing mechanisms between KEHATI and partners.*
 - *Fostering the establishment and operation of business units of KEHATI's partners as to increase income and self-reliance of the organization in support of sustainable biodiversity conservation program.*

Resource Development Programs aims to achieve the following targets:

1. *Availability of financial and non financial support from business sector and general public for organization and program development of KEHATI.*
2. *Availability of additional/complimentary fund to support grantmaking programs.*
3. *A new trust fund to increase KEHATI's endowment fund or create regional trust fund.*
4. *Developing biodiversity-based micro-enterprise managed by community gaining grant program.*

Program number 1, 2, and 3 are grant programs, executed by partners, with grant money, facility and technical assistance from KEHATI foundation. In their implementation, the three programs are supported by Grant Administration Division. Whereas Communication and Resource Development Program is carried out by KEHATI, with the support of partners proficient in their respective fields

INSTITUTIONAL DEVELOPMENT

Strategic programs management and its supporting system should involve all element and institutions existing within the organizational structure of KEHATI, which from its inception up to the moment of this Strategic Plan formulation consists of Board of Trustees, Executive Board, and Operational Management of KEHATI. However, with the implementation of new Law No.

16/2001 on Foundation on August 2002, KEHATI needs to adjust its organizational structure and the function and roles of its management as to comply with the new law.

Currently, there are four core elements of the institution in the organizational structure of KEHATI, namely Advisory Board, Supervisory Board, Executive Board and Operational Management.

Advisory Board is responsible of budgeting and establishment of general policy and guidelines for fund and resources utilization, including policy on endowment fund management. Executive Board assumes the roles of establishing operational policies, setting priority to annual programs and monitoring its execution occasionally, also assigning and laying off Executive Director of KEHATI. Whereas Supervisory Board is in charge of supervising the implementation of the policies and finance of the foundation.

To support the policy and several specific and crucial decisions, the management of the foundation is assisted by special committees, among others are Grantmaking Committee, Investment Committee and Resource Mobilization Committee. Formation of new committee in the future is possible, in consideration of its urgency.

Executive Director and professional staffs are fully responsible of KEHATI's program and activity management on day-to-day basis. The responsibility covers efficient application of the policies delineated by the management, as well as strategic programs management with its supporting system. In addition, Executive Director and the management staffs are responsible of day-to-day administration and management of the organization, such as: budget/financial management, staff and general affair development, grant administration and other activities needed for the running of an organization.

To implement grantmaking programs, resource development and external communication, Executive Director & Management of KEHATI is entitled to gain support from the Advisory Board, Supervisory Board and Executive Board of the foundation. This support is necessary for internal capacity development as well as for the implementation of program related to external parties, in which the Advisory Board acts on behalf of KEHATI.

To foster efficient implementation of those strategic and management programs, KEHATI is equipped with supporting department or division, such as Finance Department and Human Resources & General Administration Department.

Jakarta, August 2002

APPENDIX F

COMPLETED KEHATI PROJECTS INITIATED SINCE 1998

PROJECT DATA SUMMARY

STRATEGIC OBJECTIVES (FROM STRATEGIC PLAN 1998-2002)

1. Through **Public Awareness** Program, aims: increase understanding, awareness, concern of public, decision makers, government, for the importance of Conservation and sustainable use of Biodiversity.
2. Through **Capacity Building** Program, aims: Increase capacity of community organizations through the capacity of networkcentres, effective networks of partner organizations, initiatives developed by community organizations for conservation.
3. Through **Conservation and Utilization** of Biodiversity, aims to achieve sustainable community based conservation and utilization of biodiversity in targeted ecoregions.
4. **Fund-Raising** and institutional development (FRID) program, aims to seek, discover and manage new sources of funding, strengthening partners and policies support philanthropic activities and conservation.
5. Supporting **Administration systems** and Program services, aims to increase capacity of administrative systems, financial management and supporting services and to improve the performance of the organizations.

No	Type of Program	Project Name	SO	Grantee	Start – End Date	KEHATI Funds	Other Support
1	Programmatic	Program Conservation and Sustainable use of Biodiversity, near National Park Meru Betiri	2	Yayasan Hablum Minal Alam	1998	Rp. 220.050.000	
2	Non Programmatic	Small Research Grants Kerinci Seblat National Park	2	36; mostly researchers from universities in 4 provinces	1999-2002		Rp. 1.829.525.835 from GEF World Bank
3	Programmatic	Planning on Community Development through KEHATI's partner	2	INSIST	1999	Rp. 846.272.000	
4	Programmatic	Planning Study for Conservation of Cagar Alam Gunung Simpang and Gunung Tilu. (PPKH): preparation phase.	3	Mitra Simpang Tilu	1999	Rp. 196.237.000	

No	Type of Program	Project Name	SO	Grantee	Start – End Date	KEHATI Funds	Other Support
5	Programmatic	Cooperation building between partners (grantee) through Jawa Bali Network Centre towards the achievement of KEHATI's vision and mission.	2	Simpul Jaringan Jawa-Bali - Yayasan Wisnu	1999	Rp. 181.040.000	
6	Programmatic	Community Empowerment for ecotourism Program Preparation in Bali.	3	Yayasan Wisnu	1999	Rp. 161.255.000	
7	Programmatic	Cooperation development for grantees working in Biodiversity Conservation movement in Bioregion Kalimantan.	2	Yayasan Padi Indonesia	1999	Rp. 162.695.000	
8	Non Programmatic	Poster for awareness campaign on Biodiversity in Central Java schools (elementary, junior, high schools.)	1	Yayasan Lembaga Studi Psikologi dan Lingkungan	1999	Rp. 99.196.487	
9	Programmatic	Program Conservation and Sustainable use of Biodiversity, near National Park Meru Betiri (second phase).	3	Yayasan Hablum Minal Aam	2000	Rp. 367.583.000	
10	Programmatic	Program Conservation and Sustainable use of Biodiversity through Development of Ecotourism in Bali.	3	Yayasan WISNU	2000	Rp. 276.980.000	
11	Non Programmatic	Development of Environmental Module for Coastal and marine ecosystem.	1	Klub Indonesia Hijau Jakarta	2000	Rp. 57.500.000	
12	Programmatic	Strengthening the cooperation between KEHATI	2	Simpul Jaringan Bio-Region Irian jaya-Foker	2000	Rp. 122.110.000	

No	Type of Program	Project Name	SO	Grantee	Start – End Date	KEHATI Funds	Other Support
		partners/ grantees through network centre in Papua to support the biodiversity movement in the region.					
13	Non Programmatic	Workshop on constructing of Scenario building for development of Biodiversity Indonesia towards 2010.	1	Yayasan Bina Lingkungan Gunung Salak	2000	Rp. 151.300.000	
14	Non Programmatic	Journalistic workshop and writing competition on Biodiversity issues for journalist.	1	Lembaga Pers Dr. Soetomo	2000	Rp. 117.433.000	
15	Non Programmatic	Socialization of food diversification in Jogyakarta to celebrate the Earth and environmental day.	1	Kelompok Kerja Pemberdayaan Agrotani	2000	Rp. 97.075.000	
16	Non Programmatic	National Conference on Natural Resources Management (KNPSDA)	1	Eksekutif Nasional WALHI	2000	Rp. 96.025.000	
17	Non Programmatic	Awareness on biodiversity for the Youth through TV program Eco Friends.	1	Yayasan Pusaka Alam Nusantara	2000	Rp. 310.000.000	
18	Non Programmatic	Farmers national meeting.	1	Yayasan Tunas Tani Mandiri (NASTARI)	2000	Rp. 102.805.000	
19	Non Programmatic	Workshop on Trade Related Aspects of Intellectual Property Rights in context of Conservation of Biodiversity and Sustainable development in Indonesia.	1	Lembaga Studi Pembangunan dan Pelayanan Teknologi (ELSPPAT)	2000	Rp. 102.200.000	
20	Non Programmatic	Awareness on medicinal plants for community living in flood	1	Ecological Observation and Wetland Conservation	2000	Rp. 65.093.000	

No	Type of Program	Project Name	SO	Grantee	Start – End Date	KEHATI Funds	Other Support
		plain in Surabaya river.		(ECOTON)			
21	Non Programmatic	Indonesian Biodiversity Forum 2001.	1	Konphalindo	2001	Rp 141,234,500	
22	Non Programmatic	Development of environmental and Biodiversty education for teachers, students and public in Bengkulu province.	1	Yayasan Ulayat Bengkulu	2001	Rp 121,495,000	
23	Non Programmatic	Development of Environmental education module base on local knowledge, in the customary community in Central Sulawesi.	1	Yayasan Merah Putih Palu	2001	Rp 115,190,000	
24	Non Programmatic	Public Awareness Program through Environment education on biodiversity in South Kalimantan.	1	Yayasan Cakrawala Hijau Indonesia	2001	Rp 113,700,000	
25	Non Programmatic	Public Awareness Program Through mass media in South Kalimantan.	1	Lembaga Kajian Keislaman & Kemasyarakatan	2001	Rp 82,470,000	
26	Non Programmatic	Public Policy Advocacy Program for Natural Resource management in South Kalimantan.	1	Yayasan Dalas Hangit	2001	Rp 83,140,000	
27	Programmatic	Strengthening grantees through the Network Centres in Papua.	2	Simpul Jaringan Bio-region Papua.	2002	Rp 134,350,000	
28	Programmatic	Environmental Education for Elementary School in East Biak.	1	Yayasan Rumsram and Secretariat of Local Marine Area Management Program.	2003	Rp.35.008.269	
No	Type of Program	Project Name	SO	Grantee	Start – End Date	KEHATI Funds	Other Support
29	Non Programmatic	Promoting Biosafety based on precautionary	1	YLKI, Konphalindo, YLKSS, YPR	2003	Rp. 280.000.000	

No	Type of Program	Project Name	SO	Grantee	Start – End Date	KEHATI Funds	Other Support
		principles .					
30	Programmatic	Initial study to develop the concept of Wanawisata Husada in Malang Regency, East Java.	1	Kelompok Studi Hayati dan Lingkungan Universitas Muhammadiyah Malang.	2004	Rp. 40.025.000	
31	Programmatic	Community based Conservation and Sustainable Use of Natural resource in Padaido Islands and East Biak, Papua.	3	Yayasan Rumsram and Secretariat of Local Marine Area Management Program.	2001-2004	Rp. 1,217,643,293	
32	Non Programmatic	Book series on Biodiversity in Indonesia (for children).	1	Team of IPB Forestry Department, Terangi, SeaWorld Indonesia, Education, Communication and Biodiversity experts, KIH Jakarta and Sekolah Alam as a trial project.	2004		Rp 171,890,000.- (Coca cola Foundation Indonesia)
33	Non Programmatic	<u>Public Consultation</u> on draft of Bill on Natural Resources Management.	1	Resource Management working group, regional partners (Sumatera, Java, Bali, Nusa Tenggara, Sulawesi, Kalimantan, Papua), print and electronic media.	2004		Rp. 3.900.000.000 (Partnership of Governance Reform - UNDP)

**COMPLETED KEHATI PROJECTS INITIATED SINCE 1998
SUBJECTIVE EVALUATION BY KEHATI STAFF**

Rating:

- 1 Very low**
- 2 Below average**
- 3 Average**
- 4 High**
- 5 Very high, Excellent**
- 6 No Opinion**

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
1	Program Conservation and Sustainable use of Biodiversity, near National Park Meru Betiri.	3=average . Research on community perception & consolidated secondary data about social, economic, culture & biological area aspect in TNMB. Dialogue process between local community and Balai TNMB. Technical assistance for local facilitator & comparative field visit into Mojokerto to learn how to make an organic pesticides.	4 = high. 2 Researches conducted, capacity building for NGO, awareness in 3 villages.	4 = high Improve capacity NGO as community organizers, good participatory data collection and planning. Initiative cooperation between national park Agency. Awareness increase in the community through religious gathering.	4 = high. Continued to second year program.
2	Small Research Grants Kerinci Seblat National Park (SRG KSNP)	3=average. The main objective of the project was to increase the capacity building of local researchers. Unfortunately, there were many constraints during the implementation of the project and causing some switch of the location or area size.	5=very high. Academic decrees and skills of grantees varied highly, ranging from professor of a university students. Therefore, overall the quality of results varied highly.	3=average. Grants to continue the research was difficult to obtain. Some grantees have been successful with finding grants to continue their work. However, most of them were stopped when grant from us was terminated.	5=very high. The scheme of small research grants is excellent to be replicated in other areas, especially in national park located near several universities, e.g., Gunung Gede Pangrango NP, Lore Lindu National Park, Bunaken National Park.
3	Planning on Community Development through KEHATIs partner	5 = very high. Important. Identification of Bioregion priorities, identification important issue covered in the bioregions and ecoregions, networks and partners, capacity building needs.	5 = very high. Input for strategic planning was done.	4 = very high KEHATI strategic planning is base on this project. The bioregion priorities, approach of network centre and issues taken for program.	5 = very high. Since the results of this Planning used as Strategic Planning of KEHATI.

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
4	Planning Study for Conservation of Cagar Alam Gunung Simpang and Gunung Tilu. (PPKH)	4 = high. The study regarded the Nature reserved were completed covering water catchment area, flora and fauna, participatory research assessment on targeted villages, and local policy study.	4 = high. Covering 4 researches, participatory planning in 2 villages, capacity building for 4 NGO (financial and project management).	3 = average. The study is quite comprehensive, but grantee failed to use it as basis for 3 years program proposal development. The proposal was rejected by the panel.	1 = very low. The preparatory phase was not continued into Conservation and Sustainable use of Biodiversity program.
5	Cooperation building between partners (grantee) through Jawa Bali Network Centre towards the achievement of KEHATI's vision and mission.	3 = average Coordinator Network centre visit grantees to discuss about their program, workshop on planning and evaluation for the bioregion, but Grantees expected more attention from Simpul (networks centre).	4= high. Network centre coordinator must arrange workshop on evaluation and planning for grantees and visit grantees. This is the amount for 1 year.	2 = low. Network centre jawa bali is originated from Yayasan Wisnu and live in Bali. Other partners (out side Bali) feels the attention and interest of Simpul towards other partner is low.	3 = average. The concept of network centre (Simpul) and financial staff function is replicable to other area to help coordinating the program. The management of simpul depend very much on the management capacity of the coordinator. But the function of financial staff is running well and needed by the grantees.
6	Community Empowerment for ecotourism Program Preparation in Bali .	4= high. There are communities in the 4 villages organized. There is program planning on ecotourism in Bali. Each villages concentrating in the potential and problems in the area	4 = high . Program covered 4 villages, meetings with community very often, to raise awareness, and having the same perception towards program and workshop for program planning.	4 = high. Community are organized, Awareness increase ,understanding on natural resource management increase, concern high	4 =high. The community is still working on jaringan ekonomi desa and ecotourism
7	Cooperation development for grantees working in Biodiversity Conservation movement in Bioregion Kalimantan	2 = low, Simpul (network centre) coordinator resign. Much contradiction between partners. But the finance staff functioning well and help grantee in the financial management	3 = average, only to covered the activity of financial staff and help grantee in financial management	1 = very low . Conflict between partners	3= average Replicability on Concept of network centre (Simpul) and financial function to other area to help coordinating the program. Since Network coordinator resign, only the function of financial staff is running well and needed by the grantees.

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
8	Poster for awareness campaign on Biodiversity in Central Java schools (elementary, junior, high schools.)	3 = average. Public awareness through media poster & survey in schools. There were postponement program schedule due to school vacation.	1 = low. Project postponed	1=low because project was postponed.	1=low project is only for short moment
9	Program Conservation and Sustainable use of Biodiversity, near National Park Meru Betiri (second phase).	3 = average. Developing energy efficient stove to reduce the fuel wood used, planting medicinal herbs in home garden, and making bio pesticides for agriculture practices. Community groups were formed, but not functioning well.	3 = average. Many activities conducted but not focused and strategic	2= low. Grantee had internal institutional problems (new project coordinator and in experience field staff), conflict with other stakeholders (National Park agency). In appropriate approach, so that community group form is more project oriented , The project impacted only small number of people involved in the project. The program is finished after after 3 years program ended.	2 = low. The grantee could not build the collective capacity of the community. Even though thru Energy efficient stove are adopted by more people in the village project area and outside, it was not clear whether this approach reduce the use of fuel wood taken from the forest. Meanwhile there is Initiative in women small scale business in selling medicinal herbs.
10	Program Conservation and Sustainable use of Biodiversity through Development of Ecotourism in Bali	5 = very high. Coordination meeting between villages, training on conservation and ecotourism, Constructing Ecotourism package and promotion, Preparation of the Management and operational,	high value	5 = very high. High participation of the community, they include the ecotourism meeting in their Sangkep (customary meeting). Community of Nusa Ceningan are able to	5 = very high . sustain, the community is still working on jaringan ekonomi desa and ecotourism

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
		Mapping, Collecting data and Information		prevent the local government on open the island of Nusa Ceningan for mass tourism.	
11	Development of Environmental Module for Coastal and marine ecosystem.	4 = high. 1> Development of Module for environmental education on the topics of coastal and marine ecosystem, 2> Involving teachers, community, NGOs, education office in the local level. 3> Distributing books to all school in Kepulauan Seribu and other parties .	4 = high. For developing module participatory and testing for the implementation , publication and distributing the books	4 = high . Participative process, the books were distributed to all schools in Kepulauan seribu and other schools. Also to Education Government body at the local and central level and NGOs working for education. Quality of the book is very good, can be implemented in the Schools in Kepulauan Seribu and use as model for developing environmental education module.	5 = very high. Development of module for education environment followed by other partner at the other places. Environmental Education still use by the teachers in Kepulauan seribu, even though KEHATI grant is finished.
12	Strengthening the cooperation between KEHATI partners/grantees through network centre In Papua to support the biodiversity movement in the region.	2 = low , Not very often meeting with partners of KEHATI's program in Jayapura, since coordinator of Network centre is very busy	3 = average, only to covered the activity of financial staff and help grantee in financial management	2 = low , because coordinator is busy with other programs	3= average The Concept of network centre (Simpul) and financial function to other area to help coordinating the program is replicable . Since Network coordinator is very busy, only the function of financial staff is running well

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
					and needed by the grantees.
13	Workshop on constructing of Scenario building for development of Biodiversity Indonesia towards 2010.	4 = high. Identification of problems, threats & strategic issues related to environment and biodiversity ecosystem function in Indonesia. Also fostering public dialogue and policy reform based on environmental conception. There are 4 scenario on biodiversity Conservation	5 = very high For workshop and data collecting and writing the scenario, printing and distribute to many stakeholders	4 =high. There are 4 scenario on biodiversity Conservation to help everybody who are concern on biodiversity issues	5 = very high. The Scenario is very often used by other parties
14	Journalistic workshop and writing competition on Biodiversity issues for journalist.	4 = high. Good awareness about environment for the journalist, they also increase capacity on reporting and experiences in environmental information coverage	5 = very high. For training of journalist and send them to many places to cover environmental issue	4 = high. Awareness on the environmental issue for journalist increase and some journalist is continued on working with the environmental issue (South Kalimantan Journalist)	5 = very high. Replicable, because journalist is very important agent to disseminate the information on environmental issue
15	Socialization of food diversification in Jogyakarta to celebrate the Earth and environmental day.	4 = high Public awareness about local food within kids jambore, drawing & writing contest for children, public expose, media talkshow, art performance and workshop. Target audience are children, academics, and public community. That event has involved 30 organizations in	4 = high. Many activity arranged, and many people involved, radio and TV talk and coverage	4 = high. Many activities has been done to build public awareness on local food, as alternative	5 = high. Awareness made on food diversification and alternative food is further used by the program of tuber roots as alternative foods in Jogyakarta

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
		DIY (government, NGO, KSM, Yogyakarta Royal Palace, TV & radio).			
16	National Conference on Natural Resources Management (KNPSDA)	4 = high. 3 days Conference on Natural resource were held in Jakarta, involving customary community from many places of Indonesia. The results is used for basis of Policy reform on Agrarian and Natural resource management (NRM). The recommendations are about : policy analysis, alternative draft for natural resource management, the need for media campaign, natural resource policy proposed to be work agenda for legislative and executive.	5 = very high For inviting people from many places through out Indonesia, the workshop, media campaign, discussion meeting	4 = high. All stakeholders involved on natural resources management participated. Recommendations proposed become agenda for the working group on Natural resources	5 = very high Replicable and useful as basis for Policy reform on Agrarian and Natural resource management.
17	Awareness on biodiversity for the Youth through TV program Eco Friends	3 = average . KEHATI have to cut off the number of episode funded, due to lack of substance on biodiversity issues.	3= low. Fund use to cover the TV production and TV on air, but the program terminated after some episode	2= low. Entertaining, but not as expected to attract young generation for awareness on biodiversity. Idea is good, but biodiversity content is very poor, because understanding and the willingness to explore more about biodiversity is	1 = very low. Short momentum only. Because the content on biodiversity is also very low, the film cannot be used for other events

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
				low for the organizers	
18	Farmers national meeting	3 = average. Being held on 21-22 September 2000 in IPB campus, this meeting has a multi-stakeholder approach from LSM, KSM, academic, and private sector and attended by 105 farmers from 17 provinces. Recommendation: formed Joint Secretariat as data & information base.	4 = high . Meeting/ workshop brought farmers from outside Jakarta, to cover the workshop it self from	3 = average . There are consensus to formed joint Secretariat for data & information base, and the need for follow up of the next farmers program	4 = high The farmers secretariat is continuing with their programs, without the support of KEHATI.
19	Workshop on Trade Related Aspects of Intellectual Property Rights in context of Conservation of Biodiversity and Sustainable development in Indonesia.	3 = Socialization and examination about the conception of TRIPs-WTO threats to biodiversity conservation process in Indonesia, also to formulate community intellectual property rights in Indonesia.	4 = high. To covered the workshop, writing the book and printing	3 = This process has been written down into a books on WTO - TRIPPs	4 = high The book is good source for knowledge on WTO - TRIPPs
20	Awareness on medicinal plants for community living in flood plain in Surabaya river	4 = high. Introduced the importance of biodiversity in Kali Surabaya and the usage of family medicinal plants in Bantaran Kali Surabaya.	5 = very high. To make awareness for the people in the area of the importance of medicinal herbs, make people planting the medicinal herbs and writing, printing the book.	5 = very high. Community are willing to plants medicinal herbs, the book written is good for spreading knowledge about medicinal herbs	4 = high Sustainability on the awareness on medicinal plants can be achieved through a book published about the medicinal plants

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
21	Indonesian Biodiversity Forum 2001	4 = high. This is a multistakeholders forum, from NGOs, customary community, local & central government, legislative, business etc. There are agreement taken in the forum, such as the sustaining of the forum, the need of strategic alliance, the need of policy reform, the need of data & information of Biodiversity through the establishment of Clearing house mechanism.	5 = very high. To covered the forum meeting involving many stakeholders from many places of Indonesia and also writing and printing the results on a book	4 = high. Because Multistakeholders. And registered as part of the global Biodiversity forum and only 2 countries in the world has conducted such a forum (Indonesia and Germany)	5 = very high. Biodiversity forum in Indonesia will always be encouraged and also at the International level.
22	Development of environmental and Biodiversity education for teachers, students and public in Bengkulu province.	3 = average. Capacity building for LSM, teachers & its institution, environmental education module for elementary schools in Bengkulu province as a local content curriculum.	3 = average. Program objectives is done, that they make capacity building for NGO and teachers. But difficult to continuing the program, since concentration of the teachers is different.	2 = low . It is difficult to put the teachers concentration on this program. Core competence of NGO is more in advocating, difficult to develop education program.	2 = low. . Since The teachers are sitting in the forum of United Indonesian Teachers in bengkulu and their focus of interest is more in institutional issues rather than environmental education issues
23	Development of Environmental education module base on local knowledge, in the customary community in Central Sulawesi	3 = Capacity building for NGO's network and teachers to foster environmental education movement and formulation of environmental education	3 = average. There are awareness and capacity building activity done.	3 = average. The program done, , but for further continuing to longer program cannot be funded by KEHATI	2 = low. Cannot be funded, proposal was too big. KEHATI has to concentrated in the programmatic approach,

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
		module based on local indigenous people in Central Sulawesi .			because shortage in the amount of money available.
24	Public Awareness Program through Environment education on biodiversity in South Kalimantan.	3 = Formed an elementary school teachers working group, alternative environmental education methods and media campaign in South Kalimantan.	3 = average. Environmental education methods were discussed between the NGOs, But there are too many topics will be covered for the environmental education. Since there are 4 NGOs working. They are not coming into decision which topic they want to focus on. KEHATI cannot fund all the topics.	2 = low. The environmental education program is for time postponed.	3 = average The NGO and teachers in the area still working with environment education but with different approach.
25	Public Awareness Program Through mass media in South Kalimantan	5 = high. There were capacity and awareness building of journalist in South Kalimantan towards the issue of environment, media published, reporting on environmental issue.	5 = high . Its covered training for journalist, site visit, reporting, and talk show in the radio	5 = high . There is capacity and awareness building of journalist in South Kalimantan towards the issue of environment, media published, reporting on environmental issue.	5 = very high Replicable, because from south kalimantan it will spread to others region in kalimantan
26	Public Policy Advocacy Program for Natural Resource management in South Kalimantan	5 = very high. Collecting local customary laws that related to natural resources management as a formal law in community.	4 = high. It is covered the discussion with local community, their leaders and villages institution on collecting prevail customary law in the villages, writing and socialization.	5 = high. The finding of local wisdom which prevails in four villages, such as the local arrangement for sanction and conflict resolutions on natural resources.	4 = very high Replicable to other area, to study and finding local wisdoms on natural resources in other area.

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
27	Strengthening grantees through the Network Centers in Papua.	3 = Technical assistance for grantee's to make program budget & financial reports in Papua, Maluku & Nusa Tenggara bioregion, also make a financial report verification to be submitted to KEHATI.	2 = low. Activity of technical assistance, which in the future will be appointed as Network centre Coordinator is not performed well.	2 = low. The technical assistance is not helping much in coordinating the programs for grantees and also on financial management, because situated in Jayapura,	2 = low. Sustainability cannot be achieved
28	Environmental Education for Elementary School in East Biak.	3 = average . School and teachers ready to apply curriculum program, particularly to include environmental issue into local curriculum of 3 elementary and 2 junior high school. Data for writing the module already collected by the teachers. There data on sagoo, mangrove, urban garbage, marine biota and nature laboratory.	4 = high. Curriculum was developed by 3 elementary schools and 2 junior high schools. There are activity on collecting data to be used for writing the module.	3 = average. The program must be followed by constructing the module for environment education by the teachers, and the method of learning.	3= average. Replication on taken local environmental issue as topics in the curricula can be made for other schools, but it has to be written into module
29	Promoting Biosafety based on precautionary principles	3= high. 1.>Building awareness through mass media, discussions and public hearing with multistake holders. 2> Identification and research on products in the market to observed kinds of GMOs products available on the market.	3 = average. For discussion on national and local level. Specific Target discussion (academician, media, farmers)	4 = High. A lot of Discussion conducted which raised public awareness on Biosafety at the national and local level	5 = very high. Sustainability : The importance to keep of raising awareness for public on precautionary principles in Biosafety

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
30	Initial Study to develop the concept of Wanawisata Husada in Malang Regency, East Jawa	4 = high. The study was conducted to give information on location for KEHATI's next program on rehabilitation program in water reservoir area (DAS Brantas) in Malang. 4 location has been surveyed, the proposed site based on access, biodiversity condition, tenurial situation, community participation, etc.	3= average. The research team also covered more areas than what was planned and has high in kind contribution.	4 = information required provided. The study helps in developing further project plan	No opinion. Still working on finding the fund for the program
31	Community based Conservation and Sustainable Use of Natural resource in Padaido Islands and East Biak, Papua.	4 = high. 1> Improvement of public awareness towards natural resource management, indicated by community active role on mapping, customary law revitalization, sassisen site, creation of fish aggregating devices creation. 2> Improvement of mapping skill, systematic local regulation construction, community organization. 3> NGO Partners played significant role in assisting and organizing community. 4>Written regulation to rule marine resource management and conservation area	4 = high This covered 4 years program, which held in 5 islands in Biak. During the program there many activity carried out, such as mapping (done by the community it self), capacity building for NGO and community, data collection, awareness, discussion with local government for customary law revitalization, book publication, comparative field visit.	4 = high. The role of NGO partners in community organizing , had played significant role on community awareness and understanding for the importance of natural resource management and increase capacity, conservation area decided and managed by community, and regulate according to customary law which is accepted by village, customary and church institution	5 = very high Sustainability is there, because the conservation area (sassisen) and natural resource regulation which is written in their customary law, is accepted by three organ, I, e : customary leader, village leader, church leader.

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
		legalized and adopted by customary leader, village leader, church leader.			
32	Book series on Biodiversity in Indonesia (for children)	4 = high. The book is published, contain of biodiversity is good. Idea and Writing process is participative, children as reader is also appreciate. There is a multistakeholder process. Book I consists of biodiversity general, book II consists of forest and agro ecosystem. 3000 thousands book printed and 2000 distributed to schools, libraries, parishioners. He rest is for sale.	5 = very high. The first serial book on Indonesian biodiversity for children. Its covered many discussion between stakeholders (academician, writer, children, teachers, media, Psychologist, NGO). Writing, printing and distribution	4 = high. Quality of the book is very good, not only for children but also for teachers and for public enlarge as well. Can be used for teachers as reference in the teaching process.	5 = very high. The process of writing the book can be replicable, and products is good for children, teachers, parents and public

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
33	<u>Public Consultation</u> on draft of Bill on Natural Resources Management	5 = very high. 1> This is collaborative project between Ministry of environment and national Development Planning Agency (Bappenas). 2>141 public consultation carried out on village, regency, province and regional level. The formulation of draft of bill include all stake holders. 3>Media campaign all over Indonesia. 4>the process published in two books.	5 = very high. Public consultation conducted in 141 places through out Indonesia from village, regency, province, regional and national level. Joint campaign through out Indonesia with printing and electronic mass media. Stakeholders involved legislative, executive local and central , business, NGO, media.	5 = very high. Because public consultation was conducted in 141 places, collaborative project between Ministry of Environment and National Development Agency (Bappenas)	5 = very high. Replicability of public participation is good example for other policy establishment . Collaborative project between Ministry of Environment and National Development Agency (Bappenas) will support sustainability

KEHATI PROJECTS ACTIVE IN 2005

PROJECT DATA SUMMARY

STRATEGIC OBJECTIVES (FROM STRATEGIC PLAN 2002-2007):

1. Support Biodiv Conservation and Sustainable use through **Information, education and research** (program **IER**)
2. Support **Conservation and sustainable use** (program **CSU**)
3. Support for **public policy advocacy** and regulations reform and enforcement to enhance Conservation and Sustainable use (program **PA**)
4. Develop institutional Capability to **mobilize financial and non financial support**
5. Develop **KEHATI institutional capacity and governance**.

No	Type of Program	Project Name	SO	Grantee	Start - End	KEHATI Funds	Other Support
Desk Bioregion Jawa, Madura, Sumatera							
1	Programmatic	Campaign on Conservation and utilization of local tubers and food potential in Special Region of Yogyakarta.	2	Kelompok Langkah Bocah, Komunitas Pecinta-alam Pemerhati Lingkungan Indonesia (KAPPALA), KSM Tri Manunggal, KSM Guyub Rukun, KSM Mekar Sari, Yayasan Nastari.	2000-2005	Rp. 1.116.151.501	
2	Programmatic	Community traditional medication system with medicinal plants : towards community independence on health issues in Madura.	2	Biro Pengabdian Masyarakat Pondok Pesantren Annuqayah, Universitas Muhammadiyah Malang, Yayasan Mitra Insan Sejahtera.	2000-2005	Rp. 842.392.500	Rp. 36.307.500
3	Programmatic	Building critical public awareness on biodiversity issues through environmental education in Jember, East Java.	1	Jaringan Pendidikan Lingkungan (JPL) Jember.	2003-2005	Rp. 190.740.000	
4	Programmatic	Participatory action research : Land Rehabilitation by using Pioneer Plants in Bengkulu Province.	1	Komunitas Konservasi Indonesia – WARSI (KKI-WARSI) Bengkulu, Pusat Penelitian Sumber Daya Alam (P3SDA) Universitas Bengkulu.	2004-2005	Rp. 120.400.000	
5	Programmatic	Writing Popular Scientific books farmers method on rehabilitating	1	Dr.Ir.Iin Purwati Handayani, M.Sc. (Agriculture	2004-2005	Rp. 38.150.000	

No	Type of Program	Project Name	SO	Grantee	Start - End	KEHATI Funds	Other Support
		degraded land by using pioneer plants in Bengkulu Province.		Department, University of Bengkulu), Dr.Ir. Priyono Prawito, M.Sc. (Agriculture Department, University of Bengkulu.			
Desk Bioregion Kalimantan							
6	Programmatic	Empowering program in natural resources management in Blakwater Ecosystem of Sungai Puning and Barito river basin, South Barito Subdistrict, Central Kalimantan.	2	SEKBER BUNTOK - Serikat Masyarakat Pengelola Ekosistem Air Hitam Sungai Puning, Barito Selatan.	2000-2005	Rp. 1.467.074.500	Rp. 183.549.000 (Wetland Indonesia)
7	Programmatic	Community based Sustainable Natural resource Conservation and Utilization in Derawan Islands and Maratua, East Kalimantan.	2	Yayasan Berau Lestari, Yayasan KALBU, Bikal, Insist, P3-AEUI, Lebah Nusantara, P2O LIPI.	2000-2005	Rp. 1.610.392.000	Rp. 67.500.000 (UNDP), Rp. 8.000.000 (WWF Denmark)
8	Programmatic	Empowerment of Community Based Forestry Management in West Kutai, East Kalimantan.	2	Yayasan Biosfer Manusia (BIOMA).	Phase I : 1998-2000, Phase II : 2003-2005	Rp. 520.232.500	USD 90.000 (Mc. Arthur Foundation)
9	Programmatic	Public awareness program through Mass media in South Kalimantan.	1	Lembaga Kajian keIslaman dan Kemasyarakatan – South Kalimantan and Kelompok Kerja Wartawan Lingkungan hidup.	2002-2005	Rp. 108,370,000	
Desk Bioregion Papua, Maluku, Nusa Tenggara							
10	Programmatic	Mapping to support Community base Natural Resource Management, in Depapre District, Papua.	2	Secretariat of Marine Management Area Program.	2004-2005	Rp.85.400.000	
11	Programmatic	Environmental Education for Elementary School in Depapre District.	1	Indigenous Council of Tablasupa Village.	2004-2005	Rp.57.755.000	
12	Programmatic	Planning for Competitive Research scheme in Kaitero river basin, Teluk Bintuni – Papua.	1	Indigenous Council of Tablasupa Village	2004-2005	Rp. 135.800.000	

No	Type of Program	Project Name	SO	Grantee	Start - End	KEHATI Funds	Other Support
13	Programmatic	Biodiversity Conservation and Utilization in Villages surrounding Laiwanggi Wanggameti National Park East Sumba.	2	Yayasan Alam Lestari.	1999-2005	Rp. 1,284,270,000	
Information, Education, Research							
14	Non Programmatic	Study on Public Participation Mechanism on Biotechnology Policy : a case study of Indonesia.	1	IPB case study team.	2003-2005		USD 21,000 (WRI)
15	Non Programmatic	Development of Green School (Go Green school).	1	The Centre for the Betterment of Education (CBE).	2004-2006		Rp. 348.000.000 (Coca cola Foundation Indonesia)
16	Non Programmatic	Dissemination of Biodiversity Convention.	1	Konphalindo	2004-2005	Rp. 60.000.000	
Public Policy Advocacy							
17	Non Programmatic	Policy reform on Agrarian and Natural Resources Management.	3	Wahana Lingkungan Hidup Indonesia (WALHI), Jakarta.	2003-2004		Rp. 1,600.000.000 (MFP-DFID)
18	Non Programmatic	Promoting Biosafety Policy through public participation.	3	ICEL	2004-2005		USD 5000 WRI
Conservation & Sustainable Use							
19	Non Programmatic	A Trade facilitator to Support Community Business Ventures Promoting Sustainable Use of Bio-Resources.	2	Yayasan Dian Tama, Yakomsu Ekosistem Air Hitam, Organized community of Martina Berto.	2004-2005		Rp. 658,750,000 (MFP-DFID)

KEHATI PROJECTS ACTIVE IN 2005

SUBJECTIVE EVALUATION BY KEHATI STAFF

Rating:

- 1 Very low, poor
- 2 Below average
- 3 Average
- 4 High
- 5 Very high, Excellent
- 6 No Opinion

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
Desk Bioregion Jawa, Madura and Sumatra					
1	Conservation and Sustainable use on tuber roots as food alternative in Yogyakarta	4 = high. Phase I (1999 - 2002) community organizing, capacity building, participatory research on local tuber roots, begin tuber cultivation, campaigning . Phase 2 expanding networks, campaign tuber roots for food, medicine and source of income, Community base organizations (KSM) developed variety of processed tubers (Starch, flours, chips, crackers, cookies).Environmental education developed by teachers and farmers, 2 bulletins published : Bocah and sawung.	5=very high. Target groups and area covered are extensive (5 CBOs, 9 NGOs, 8 farmer groups, 6 schools, in 8 sub-districts in 4 districts.	4 = high. The development of environmental education build confidence of teachers and children and farmers. Community organizations make big effort for diversification of products and marketing, however, the institutional mechanism in the community organizations are not established. Marketing is still not optimal . The program is expanded into other villages. The community organization and Simpul Pangan Yogya are acknowledged by the government agencies and often invited as resource persons and to participate in exhibitions.	5 = very high. Community independently continue to cultivate and diversify the tuber products. Replicability : of the project is seen by being invited by other villages as resource person in development of tuber roots. Besides that the sustainability can be achieved through support on the improve the benefit from tuber roots.

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
2	Community traditional medication system with medicinal plants : towards community independence on health issues in Madura	4 = high 1> Community organizing in 5 villages , facilitating and capacity building on the knowledge of medicinal plants, diagnosis, acupressure, mixing medicinal herbs. 2> Community organized : religious group, Moslem boarding school. Female groups. 3> Awareness building and Dissemination of information. 4> research and documentation of medicinal plants in Madura.5> There are some traditional medicinal practioners acknowledged by the community. 6> medicinal plants/herbs being planted by the community. 7> Courses on plant based traditional medication. 8> Study on market and potential development of medicinal plants.	5=very high. Covering 5 villages in 1 sub-district. High in partners' contributions (cash and in kind from the pesantren and the community).	4 = high . Local Community started to acknowledge the benefit of medicinal plants and increase capability to use it. Herbal medication now being used. There are community medicinal centre oriented at acupressure and herbal treatment. Boarding School has initiated independent as-syifa course. Still weak in marketing.	5= very high. Medicinal herbs/plants is accepted as alternative medicine, there is a need on medicinal plants. Sustainability is there. The pesantren (Islamic boarding school)keeps promoting traditional medicines, running a traditional healing courses for its students and is building the traditional healing centre and 'jamu' outlet (shop) to promote the community products, from their own resources.
3	Building Critical Public Awareness on Biodiversity issue through Environmental Education in Jember, East Java.	4 = high . The educational program is developed for elementary school, 4 ecosystems modules developed. (Agriculture, fishery, Forest-garden and urban, which has been tried out in 8 schools and later applied in 19 schools. Capacity building for teachers to developed material and method on environment education. Network with multistakeholders academia, teachers and national park.	3 = average Covering one district and a multi stakeholder forum on environmental education (NGOs, teachers, academia, national park, and government agencies). Producing 4 modules that were tested in 9 schools.	3 = average. The modules constructed by the teachers were to be tested and still need to be revised based on the input. Still need to improve the capacity of the environmental education NGO network, especially in alternative learning methods and networking.	4 = high. Replicability of the program is seen by the spreading of module to others 19 schools. Besides that the network of environmental education is very intensify and large, experiences can be spread out through the network. The Education Agency is willing to adopt the environmental education modules when the modules are completed.
4	Participatory action research Land Rehabilitation by using Pioneer Plants in Bengkulu Province	New program, started in January 2005. Socialization of Program Plan and demonstrating plot made. Group discussion with farmers about soil fertility. Biophysics and Social economic data, identification and planting of pioneer plants (<i>Peurulia javanica</i>).	No opinion. Project just started, but innovative and has high potential in community involvement and contribution (in kind).	Not yet Known, Still in Progress	No opinion. still in progress but has potential to be replicated in other degraded areas in Indonesia

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
5	Writing Popular Scientific books farmers method on rehabilitating degraded land by using pioneer plants in Bengkulu Province	Program in progress	No opinion. Has potential to reach wider general public related to land degradation.	Not yet Known, Still in Progress.	No opinion. still in progress
Desk Bioregion Kalimantan, Sulawesi.					
6	Empowering Program on Natural Resource Management in Blackwater Ecosystem of Sungai Puning and Barito River basin, South Barito Subdistrict, Central Kalimantan.	5 = very high. 1> 8 community organizing and organizations. 2> mapping for village regulation on resource management. 3>Economic empowerment : rattan, honey, fish, saving & loan, 4> Conservation : seed for local plants, ditch covering, endangered flora fauna, 5> Information for & by community and environmental education in 2 schools 6> support studies.	5 = high The program is covered for 5 years program, many progress have been achieved, covering 7 villages in 2 river basin (Barito and Puning), 7 community organization, community capacity on mapping, economic empowerment and awareness building for community.	5 = very high. Community has organized them self to manage the natural resources, awareness on the importance of biodiversity for them and their next generation has allowed them to decide the area they can manage through village regulation. Community organization help the economic empowerment in the village.	5 = very high. The approach of community empowering has been a very good lessons learned for other partners/grantees of KEHATI. The Foundation of River Community (YAKOMSU) and Community organizations will always looking for new and better ways on using their natural resources and empowering the organizations.
7	Community based Sustainable Natural resource Conservation and Utilization in Derawan Islands and Maratua, East Kalimantan.	4 = high . 1>Information at village and regency level.2>Local regulation 3> Study Kakaban 4> Community organizing for economic empowering , training. 5> Turtle Monitoring and research Station. 6>Collaborative Management Local, central gov, NGO, 7> community mapping trained by NGO.	4 = high. 5 Community organizations formed in 2 district. Village information centre & regency, Fund for Station monitoring and Research in Sangalaki. Collaborative management with other stakeholders. Awareness.	4= high . The program covered 5 villages in 2 district and in 3 islands. Capacity of local NGO improved, community organizations formed, economic empowerment initiate to reduce destructive fishing. In Collaborative Management between many stakeholders, the local NGO is being acknowledged, but they need to increase their capacity to improve the bargaining power with other stakeholder.	3 = average, community empowering in economic need to be enhance so that community enjoy the benefit.. Community actively involved on the programs sustainability. The model of community base Coastal marine Conservation and sustainable use can be replicated to others area.

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
8	Empowerment of Community Based Forestry Management in West Kutai, East Kalimantan	3 = average. 1> Initiated 1997 with support Mc Arthur and AUSAID. Due Forest fire, the fund use to help community. 2> phase 1: Continue Research on PHBM until 2000. 3> Phase 2: implementing community based forest management begin 2003 in 4 villages through community organizing. 4> village information centre. 5> initiative economic empowerment. 6> identified medicinal plants on Lembo.	Results on research is good, to be taken as source of information. Results on phase 2 program for community organizing get 3 = average.	3 = average, Results on research is good, to be taken as source of information. The NGO partner used to work for research, but phase 2 program, for community organizing they have to be strengthen, so they can be more intensive in community organizing.	4 = high for The results of research, it is good and can be used no opinion. But there is no opinion for sustainability/replicability on community organizing, since the program still in progress.
9	Public Awareness program through Mass media in South Kalimantan	5 = high. There is capacity and awareness building of journalist in South Kalimantan towards the issue of environment, media published, journalist trip & reporting on environmental issue.	5 = very high. Environmental Journalist organization formed and active to covered news on environment and involved public in their activity and organized a lot of discussion to increase journalist capacity.	5 = high . There is capacity and awareness building of journalist in South Kalimantan towards the issue of environment, media published, reporting on environmental issue.	5 = very high. Replicable, because from South Kalimantan it will spread to other regions in Kalimantan and also sustainable, because they already developed philanthropy strategy for their program.
Desk Bioregion Papua, Maluku, Nusa Tenggara					
10	Environmental Education for Elementary School in Depapre District, Papua.	3 = average . 1> Socialization to achieve same perception on environmental education. 2> participatory planning meeting. 3>Construction of broad outlines of curriculum and syllabus. 4> Consultative workshop for the curriculum. 5> Workshop on formulation of environmental education module. 6> many parties involved : local community, customary institution, church, district education office, youth, fisheries, conservation community.	4 = high. Many activity done, involving teachers from 4 elementary schools and other parties (local community, customary institution, church, district education office, youth, fisheries, conservation community).	3= average . Although Some activity planned has been finished , teachers are actively involved, but module on environmental education is not yet finished.	3 = average The effort to put the environmental program into the curricula is one of the method to Sustain the environmental education program

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
11	Mapping to support Community base Natural Resource Management, in Depapre District, Papua.	3 = average. 1> Mapping activity was done by the community, indigenous council, church, teachers and youth. 2> there are marine and land area sketch map, line of village borders and the 3 dimension mock up of Tablasupa area. 3>There are 6 men & 2 women from the village understand and capable for doing the mapping. 3> There are local and customary law on natural resource management , especially on land, coastal and marine. 4> there are customary institution. 5> there are document as order of Indigenous Community Meeting on Statute and Outline of Order Tablasupa district pertaining ratification of customary law on natural resource management.	4 = high. There is capacity building for community to be able to make the mapping. Data collection on the area to be used for area planning. From those basis data, mapping was made and then customary policy on natural resource management was written	3 = average. Socialization of map, village borders and the written law of natural resource management to other neighbor village is importance for their acceptance on the village border. The mapping program should include more villages.	Between 3 and 4 average to high. Sustainability on natural resource management , should be secured by the local customary law ,while it is documented in the Statute and Outline of order Tablasupa Depapre District and also customary Institution who will look after the implementation of the law. Another important issues is acceptance from the neighboring villages.
12	Planning for Competitive Research scheme in Kaitero river basin, Teluk Bintuni - Papua	3 = average. 1> Topics of research has been discussed through focus discussion in 5 villages by University, NGO and Community 2> Socialization on the research topics.	program still in progress, so far 5 villages and 2 university are involved. But still no results on the program.	no opinion, program is still in progress, quality of results to early to say.	Research will be used as basic for the future program developed by NGO, community in the area and local university for natural Resource management.

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
13	Biodiversity Conservation and Utilization in Villages surrounding Laiwanggi Wanggameti National Park, East Sumba	5 = very high. 1> in 1999 studies on biodiversity issue in the area. 2> 2000-2001 community empowerment & institutional strengthening. 3> 2001-2003 focus on 2 villages, community group strengthening and agricultural practices. 4> 2003-2004 community based conservation model in 5 villages, conservation based on traditional knowledge and wisdom, writing of customary law (rotu) for natural resource management and proposed into PerDes (Village regulations), promote sustainable use through peoples economic improvement and marketing of bioresource product.	5 = very high. Funding is used for 5 years program with 2 villages at the beginning until 5 villages later. Activity begin with studies on the area, capacity building for NGO and community, socialization, developing model conservation base on local practices, local policy development (Rotu), agriculture practices, economic empowerment. With this fund Community awareness, the capacity in agriculture practices and economic development increase. Community.	5 = very high . Awareness of the Local Community increase and the customary and village regulation help them to manage their resources. Input of knowledge and technical assistance on agricultural practices, improve community skill. Community benefited the Economic empowerment of using sustainable bioresource from the area. Increasing network to support their works.	5 = very high. Replicability : the program is enlarged into 3 other villages. And through the acknowledgement of village and customary regulation by the community, they will respect and followed natural resource management accordingly.
Information, Education Research					
14	Study on Public Participation Mechanism on Biotechnology Policy : a case study of Indonesia	4 = high The research conducted to study the aspect & mechanism of public participation in biosafety policy. Definition of Public participation for policy input is not clear. Transparent and open towards input is important on the participation.	4 = high. Studies is in local level and national level, identification of all policies related to Biosafety, status of research on transgenik development in Indonesia, study on public participation on biosafety policy decision. And printing of the results.	4 = high. Many information available on the studies. Results will be published and used as reference for policy paper.	4 = high . Replicability on input of process public participation for other legislation and Policy reform.
15	Development of Green School (Go Green school)	4 = average. The program is still in progress. The concept of go green school formulated by the team of several experts and sources	Program still in progress, so far formulation of green school, launching	4 = high for launching and dissemination of programs. The program is still in progress	5 = very high. Even though program not yet finished, but the potential of replication is big. 4 schools will be

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
		from the ministry of environment, ministry of education, KEHATI and NGO. 4 schools will be developed as model for green school and become model for area Jakarta-Bogor- Depok-Tangerang-Bekasi.	dissemination of competition is done, The value of money so far cannot be measured.		developed as model for green school and become model for area Jakarta-Bogor- Depok-Tangerang- Bekasi. Nation wide dissemination will be carried put later.
6	Dissemination of Biodiversity Convention	3 = average. 1 > Information on Convention on Biodiversity, Cartagene protocol was written and disseminate to create awareness. Information also available from the portal of Berita bumi. 2> Sustainable development was also campaign through exhibition of " Kampoeng Organik".	4 = high. Many activities carried out : exhibition, media discussion, press release, website established.	4 = high, Many activities conducted, the exhibition was visited by selling their bioresource product. Also some media coverage.	3 = average for sustainability of information through Web portal news on earth, which is always accessible for public.
Public Policy Advocacy					
17	Policy reform on Agrarian and Natural Resources Management	4 = high . Phase I : institutional building for working group concentrating on the policy of Natural resource Management. The working group contain of 22 civil societies. The group monitored the establishment process of the TAP IX/MPR/2001 in the government and legislative. Phase II. Observed the implementation process. through campaign, focus group discussion, development of data & information, and preparation for the 2nd National Congress on Natural Resources.	5 = very high. 22 NGO organizations formed an organizations, regularly meeting and discuss Agrarian reform and natural resources management with many stakeholder, government, legislative and advocate policy regarding natural resources management.	4 = high. Very strategic to watch the implementation of the regulation TAP IX/MPR/2001. Through journalist campaign to disseminate the regulation, focus group discussion discuss the implementation of regulation, data base of information and conflict resolution on natural resource is also discussed.	5 = very high. Sustainability is good because support by working group and to watch the implementation of the regulation.
18	Promoting Biosafety Policy through public participation	Average The project is still in progress. Policy paper will be taken from the study on Mechanism of public participation on policy of Biosafety. With the policy paper discussion with legislative, executive, academia, researcher will be carried out.	No opinion. looking for the amount of money and activity covered , value of money should be categorized high.	Not known, still in progress.	4 = high. Sustainability: this issue will always be discussed, since precautionary principles have to be acknowledge. The importance to keep of raising awareness for public on precautionary principles of GMOs.

No	Project Name	Achievement of Project Objectives	Value for Money	Quality of results	Sustainability/ Replicability
Conservation and Sustainable use					
19	A Trade facilitator to Support Community Business Ventures Promoting Sustainable Use of Bio-Resources	The project is not yet begin, still in process of receiving money from MFP in England will be done by the network for marketing of community bioresource products. For the initial phase, the project will focus on 3 clusters (food, medicinal plants, and nuts).	Still in progress of receiving money.	Not yet Known, Still in Progress of receiving money.	Sustainability will happen if the program can help the improvement and marketing of community products base on bioresources.

APPENDIX G

TWO NEWSPAPER ARTICLES

Two newspaper articles that appeared while the Evaluation Team was in Indonesia offer vivid examples of the challenges to which programs like those at KEHATI are modest responses.

WAY KAMBAS NATIONAL PARK ON THE BRINK OF RUIN

Oyos Saroso H.N., The Jakarta Post/Bandarlampung, April 30, 2005

Famous for its elephant training school, the Way Kambas National Park in East Lampung is deteriorating, with more than 60 percent of the park being pillaged of its trees and thousands of hectares turned into cassava and corn plantations.

From the outside, the 125,000-hectare park appears intact, but upon entering, vast areas have been overgrown by tall grasses where once hardwood trees such as *meranti*, *tenam* and others grew.

A resident, Nardi, said he had been cultivating cassava on a plot of land in the park for the past seven years, claiming he was forced to do so in order to support his family.

As a native of the place, he claimed that he had never received any benefit from the park. "What happened was that a herd of wild elephants from the park frequently ravaged my paddy field and farm located outside the park," said Nardi.

He claimed that he and other residents living around the forest had been cultivating the land in a number of areas inside the park because the land had already turned into idle grassland.

"It's not because we cut down the trees. Those who cut down the trees are outsiders. They are hired by logging financiers from Jakarta and Bandarlampung," he said.

Since the beginning of the so-called *reformasi* (reform) era in 1998, after former president Soeharto was deposed from office, the rate of forest destruction in Lampung has drastically increased. Residents have collectively cleared forest areas on the pretext that they inherited the park from their ancestors.

This situation has been exploited by timber financiers to reap huge profits by paying residents to fell large trees, then buying them up at low prices.

Traders buy a cubic meter of *meranti* for only a few hundred thousand rupiah. It is then sold for millions of rupiah on the open market. Unfortunately, those who get this money are not the residents living near the park.

Residents living around the forest are only left with smaller parts of the trees, remnants from the illegal logging activities. After all the trees have been completely plundered and the area turned into grassland, only then will residents start cultivating cassava.

Executive director of the Lampung chapter of the Indonesian Environment Forum (Walhi), Mukri Friatna, disclosed that the problem of illegal logging in the Way Kambas National Park was not only caused by a limited number of forest rangers guarding the park.

According to Mukri, the most important factor was the seriousness on the part of park management and police to unravel the timber trade syndicates.

"Since logging and transportation of the timber are done in broad daylight, how is it possible that they get away with the sawn timber unnoticed? It's rather strange that they (park management and police) have difficulty getting hold of the perpetrators, because their exit routes are obvious," said Mukri.

One entry point used by illegal loggers, for instance, is in Cabang village, in Seputih Surabaya district and Rasau village, Gaya Baru district -- both in Central Lampung, as well as Sadewa village, located at the mouth of Seputih Surabaya river in Central Lampung.

According to Mukri, access through Sadewa is the easiest way to bring timber out as the area directly borders the Way Seputih River estuary.

"Timber can be gathered and transported by trucks from the river, or they can be directly moved by large boats and then cross the Sunda Strait to Karangantu Port in Banten," said Mukri.

Head of the East Lampung Forestry and Plantation Office, Edwin Bangsaratu, said the loggers were not from the area, claiming that security personnel and illegal loggers were frequently involved in shoot-outs during raids.

"It shows that they (the loggers) have been armed by the financiers," said Edwin. Edwin said that even if the area's residents were to be blamed, they were not fully at fault for the damage because most of them were poor.

The residents, he said, cultivated the land but harvests were not adequate to meet their families' needs, forcing them to enter the park to take forest products, or hunt for animals.

Head of the Way Kambas National Park information office, Mega Heryanto, acknowledged the presence of illegal loggers and poaching, but limited numbers of forest rangers made it hard to catch the perpetrators.

"We have conducted night and day patrols. We have caught several perpetrators, and some of them have been brought to trial," said Mega.

According to Mega, his office has also conducted a public awareness campaign for residents living around the national park in order that they refrain from illegal logging and poaching practices.

MT BETUNG NATIONAL PARK ON BRINK OF DESTRUCTION

Oyos Saroso H.N., The Jakarta Post, Bandarlampung, May 2, 2005

The Wan Abdurrahman forest preservation area in Mount Betung National Park, South Lampung, is in a sorry state, with 76 percent or 17,000 hectares of the 22,249-ha forest destroyed by illegal logging and land clearing, an environmentalist says.

Meanwhile, the local forest authority said it would take until 2007 to expel all the illegal businesses still operating in the area, many of which were "difficult" to take action against because they were backed by big business.

The destruction had caused Bandarlampung residents to face water shortages in the dry season and floods in the rainy season, Lampung Indonesian Environmental Forum (Walhi) executive director Mukri Friatna said.

The forest, where large hardwood *meranti*, *merbau* and *sengon* trees once grew, has become wasteland and residents have turned it into patchouli, cacao and coffee plantations. Businessmen had manipulated logging concessions in the area and illegal logging had stripped away most of the trees, Mukri said.

Walhi data shows that illegal logging was a long-term problem, which increased during the *Reformasi* era beginning in 1998. About 12,000 illegal loggers and land-clearers were estimated to have been involved in the recent destruction of the Mt Betung forest, data released in August last year showed. Some of them had even built houses in the forest, and others had established large plantations.

The group says it views the extent of the destruction as serious, and has called for the authorities to deal with the issue firmly.

d on the slopes of the mountain in the Wiyono area, Mukri said.

The area had been damaged since the early stages of *Reformasi*, the destruction aggravated by the presence of charcoal and granite industries and plant oil distilleries.

"It's somewhat strange that forestry officers have not 'noticed' the illegal activities since their guard posts are located near the locations," Mukri said.

Residents had felled trees to burn to produce charcoal and Walhi had previously suggested to the provincial administration to restrict hikers and residents from coming into the area.

"We hope security personnel will not only arrest those caught red-handed, but also those who back them," Mukri said.

When asked by *The Jakarta Post*, a worker at a patchouli oil distillery said that there were 10 such facilities in the forest owned by people from outside South Lampung.

Lampung Forestry Office head Arinal Djunaidi said he did not think his office had been biased or negligent when handling issues of forest protection. He promised to slap sanctions on all illegal operations by closing down all plantations and oil distilleries operating without permits.

Djunaidi admitted that all of the distilleries, most of which had been established during the past year, were illegal because they did not have permits from the forestry office to operate inside the forest.

He acknowledged that his office had faced "difficulties" in stopping people involved in land-clearing activities because they were backed by big businessmen.

The waste from the patchaoli oil distilleries, which are located on 70 to 90 degree gradients in the forest reserve, was likely to have a serious impact on the environment, Wahli said. "Due to our limited funds, we can only target 2007 for all land clearers to leave the Mount Betung forest preservation," said Djunaidi.

Although they would be eventually made to leave the forest, they would still be allowed to go into it to manage and protect the area and would be issued identity cards, he said.

Meanwhile, head of the Wan Abdurrahman Forest Reserve, Guntur Harianto, acknowledged that illegal logging still prevailed in Mt Betung.

He said his office had faced problems stopping illegal logging because it had only 16 forest rangers over more than 22,000 ha.

The Wan Abdurrahman Forest Reservation encompasses seven districts, 36 villages and 67 hamlets. The area is divided in two zones, comprising of 11,099 ha. designated a "beneficial zone" and 11,150 ha. as a protected zone.

Based on 2002 satellite images, the condition of Register 19, which is known as a catchment area for Bandarlampung city and South Lampung regency, was of much concern.

Destruction had reached 72 percent, or 17,049 ha. Around 82 percent of the area had been deforested and turned into wasteland, rice plantations, grasslands and residential areas.

There were 2,063 huts or houses, and 403 of them had been torn down as of July 2004.

In an order to prevent forest destruction, the Lampung Forestry Office expelled 400 families from the preservation area last year.

There were 2,300 huts and other structures in the 22,249.31 ha. forest. There are still 5,000 families in the area now.

APPENDIX H

PERSONS INTERVIEWED

KEHATI BOARD

- | | |
|--------------------------------------|--------------------------------|
| 1. Emil Salim, Prof. Dr. | Chairperson, Board |
| 2. Erna Witoelar | Ambassador; Board member |
| 3. Pratiwi Soedarmono, Ph.D. | Member, Bd, KEHATI |
| 4. Francis Wahono | Member, Bd, KEHATI |
| 5. Amanda Katili-Niode | Sec., Exec Bd, KEHATI |
| 6. Abdul Rachman Ramly | Vice Chr, Exec Bd, KEHATI |
| 7. Koesnadi Hardjasoemantri, Prof Dr | Chair, Governing Board, KEHATI |
| 8. Boenjamin Setiawan Ph.D | Board Member |

KEHATI STAFF

- | | |
|----------------------------|--|
| 1. A. Sofiawan | Communications Officer |
| 2. Ahmad Harbandi | Simpul Program, Borneo bioregion |
| 3. Aminah | Simpul Keuangan, Borneo bioregion |
| 4. Andreas Yasakasih | Finance, Manager |
| 5. Ani Mardiasuti, Ph.D | Sr. Policy Advisor |
| 6. Anida Haryatmo, PhD | Program Director |
| 7. Christien Ismuranty | Mgr Info., Educ., & Technology/ Sumatra – Jawa – Bali Desk
Manager |
| 8. E. Panca P | Finance and Development Specialist |
| 9. Eko Komara | Program Administration Manager |
| 10. Gustaaf A. Lumiu | Director, Finance |
| 11. Ismid Hadad | Exec Director, KEHATI |
| 12. Julia Kalmirah | Public Policy Advocacy Program/ Manager, Borneo Sulawesi
bioregion |
| 13. Puji Sumedi | Assistant, Borneo bioregion |
| 14. Raudataul J. Suraya SH | Personnel and General Administration Manager |
| 15. Rika Anggraini | Corporate and Individual Giving Officer |
| 16. Rio Rovihandono | Mgr Conserv. & Sustainable Use Prog; Papua, Maluku and Nusa
Tenggara Desk Manager |
| 17. Suwar | Facilitator and former Java-Bali bioregion Simpul |
| 18. Suzanty Sitorus | CRD Manager |

KALIMANTAN STAKEHOLDERS

- | | |
|-------------------|---|
| 1. Achmad Yani | Training Head, Citizen's Group, Tampijak, Kab. Barito Selatan,
Kalteng |
| 2. Arie Haudama | Director, YAL |
| 3. Armilah | Women's Group, Tampijak, Kab. Barito Selatan, Kalteng |
| 4. Arsuma Saputra | Reporter, Barito Post newspaper; Pokja Wartawan Lingkungan
Hidup Banjarmasin, Kalsel |
| 5. Awet | Batilap resident, Batilap, Kab. Barito Selatan, Kalteng |
| 6. Deni | Son of Village Secretary, Sampudau, Kab. Barito Selatan,
Kalteng |
| 7. Diani | Member, Women's Group, Muara Puning, Kab. Barito Selatan,
Kalteng |
| 8. Dulah | Village elder, Simpang Telo, Kab. Barito Selatan, Kalteng |
| 9. Elim | Member, Women's Group, Batilap, Kab. Barito Selatan, Kalteng |

10. Fathurrahman Reporter, Kalimantan Pos newspaper, Pokja Wartawan Lingkungan Hidup Banjarmasin
11. H. Kumi Badan Perencanaan Desa, Batampang, Kab. Barito Selatan, Kalteng
12. H. Nono Kepala Dusun, Simpang Telo, Kab. Barito Selatan, Kalteng
13. Hasan Zainuddin Antara news agency, Pokja Wartawan Lingkungan Hidup Banjarmasin, Kalsel
14. Hilmi Reporter, Barito Post newspaper, Pokja Wartawan Lingkungan Hidup Banjarmasin, Kalsel
15. Husniansyah Dusun Head, Muara Puning, Kab. Barito Selatan, Kalteng
16. Idai Member, Women's Group, Batilap, Kab. Barito Selatan, Kalteng
17. M. Iqbal Reporter, Suara Kalimantan newspaper, Pokja Wartawan Lingkungan Hidup Banjarmasin, Kalsel
18. M. Saleh Marku Radio Republic Indonesia, Banjarmasin, Pokja Wartawan Lingkungan Hidup Banjarmasin, Kalsel
19. Mahudin Sekretaris Desa, Muara Puning, Kab. Barito Selatan, Kalteng
20. Mariani Member, Women's Group, Teluk Sampudau, Kab. Barito Selatan, Kalteng
21. Marjuki Kepala Desa, Tampijak, Kab. Barito Selatan, Kalteng
22. Mastuba Head, Abon Group, Batampang, Kab. Barito Selatan, Kalteng
23. Mika Member, Women's Group, Batilap, Kab. Barito Selatan, Kalteng
24. Misai Wahyuain Sekretaris Desa, Batampang, Kab. Barito Selatan, Kalteng
25. Muhid S. Sekretaris Desa, Bintang Kurung, Kab. Barito Selatan, Kalteng
26. Nani Member, Women's Group, Tampijak, Kab. Barito Selatan, Kalteng
27. Nely Sunarti Member, Women's Group, Teluk Sampudau, Kab. Barito Selatan, Kalteng
28. Peras Teacher, Middle School, Batampang, Kab. Barito Selatan, Kalteng
29. Raudah Anisya Reporter, Radar Banjarmasin newspaper, Pokja Wartawan Lingkungan Hidup Banjarmasin, Kalsel
30. Sarkawi Kepala Desa, Bintang Kurung, Kab. Barito Selatan, Kalteng
31. Soeryoasmojo Tampijak Village Secretary, Tampijak, Kab. Barito Selatan, Kalteng
32. Sudiriun Sampudau Village Secretary, Sampudau, Kab. Barito Selatan, Kalteng
33. Sugian Kepala Desa Teluk Sampudau, Kab. Barito Selatan, Kalteng
34. Uzrin K. Treasurer, Citizen's Group, Tampijak, Kab. Barito Selatan, Kalteng
35. Yartine Member, Women's Group, Teluk Sampudau, Kab. Barito Selatan, Kalteng
36. Yati Member, Women's Group Muara Puning, Kab. Barito Selatan, Kalteng

SUMBA STAKEHOLDERS

1. Hartini Farmer, Tandula Jangga
2. Kamaru Ndapa Dekang Farmer, Hina Pekambani, Sumba
3. Minggu Farmer, Hina Pekanbani, Sumba
4. Praimadita Adi Papa Community Organizer
5. Praimadita Jhou Mgaku Rawa Farmer
6. Prijo Soetedjo, PhD Soil scientist, Undana Univ., Kupang
7. Rambu Tehu Farmer, Taudula Jangga
8. Stefanus Nengi Rutung Farmer, Tandula Jangga

- | | |
|-----------------------|--|
| 9. Umbu Mahambah | Farmer, Sumba |
| 10. Umbu Ngandji | Kepala Desa (Rutu), Desa Nangga, Sumba |
| 11. Umbu Yadar | Kepala Suku Praimadita |
| 12. Yanee K. Manggang | Farmer, Hina Pekambani, Sumba |

YOGYAKARTA STAKEHOLDERS

- | | |
|--------------------|-------------------------------------|
| 1. Ai Hadji | Serikat Petani Pasundan, Jawa Barat |
| 2. Ardiati | Waroeng Jogja |
| 3. Aries Susanto | KAPPALA |
| 4. Didit | Resident of Langkah Bocah |
| 5. Djono | KSM Sambirejo |
| 6. Eti Wijayanti | KAPPALA |
| 7. Indrianto | KAPPALA/GEMPA |
| 8. Jumari | KSM |
| 9. Kemin | KSM |
| 10. M. Toha | KAPPALA |
| 11. Marsilah | KSM Sambirejo |
| 12. Parno | Resident of Desa Ngringin |
| 13. Praminta | KAPPALA |
| 14. Pujira | KSM Jelok |
| 15. Ramses | KAPPALA |
| 16. Rini Mustofa | Resident of Yogyakarta |
| 17. Sarwo | KSM |
| 18. Siswa Prayitno | KSM Ngringin |
| 19. Sutrisno | SD Wijahan II |
| 20. Warto Utomo | KSM Sambirejo |
| 21. Wiyono | KSM Sambirejo |

MADURA STAKEHOLDERS

- | | |
|----------------------------------|---|
| 1. Ki Panji | Elder, Pesantren An-Nuqoyah |
| 2. Ki Anasul Khalish | Ketua, KSM Desa Penanggungan |
| 3. Daury | bekas Ketua BPM, program KEHATI 2000-2003 |
| 4. Ki Sihabuddin | Pengobat dan Ketua KSM Desa Ketawang |
| 5. Ki Farid | Ketua KSM Desa Banlapah |
| 6. Tiyus (need to get full name) | BPM, An Nuqoyah |
| 7. Nyi Hasbiah | Ketua, KSM Desa Dundang |
| 8. Nyi Supriati | Ketua KSM Desa Lengkong/Kasih Ibu |
| 9. Members of KSM Kasih Ibu | Guluk Guluk, Sumenep |
| 10. Yussalam | Ketua BPM sekarang |
| 11. Mahfud | BKPP (Balai Kesehatan Pondok Pesantren) |

USAID

- | | |
|-------------------------|--------------------------|
| 1. Agus Widiyanto | CTO |
| 2. E. Jean Brennan, PhD | Forest biodiversity |
| 3. Jon Linborgh | Deputy Director |
| 4. Theresa G. Tuaña | Director/Water& Environ. |
| 5. William Freij | Mission Director |

OTHERS

- | | |
|------------------------|--|
| 1. Aldrianto Priadjati | Executive Director, Borneo Orangutan Survival Foundation |
| 2. Bob Rice | Monash Univ., Agricultural economics |

3. Chandra Kirana
Communication and Outreach Director, WWF Indonesia Programme, Jakarta
4. Gove DePuy
Permaculture, Waste Water Gardens
5. Graeme Douglas
Environ. Anthro. Innovation, IFCAE Pac. Consultants Intl
6. John Duewel
Rural development
7. Katie Lynch
8. Kib Roby
Tea entrepreneur, Dharma Teas
9. Klaas Jan Teule
Conservation Director, WWF Indonesia Programme, Jakarta
10. Laurie Billington
Education, Pondok pekak
11. Made Wedana
Operations Manager, Schmutzer Primate Center, Jakarta
12. Marcus Ingle
Portland State U.; Education/leadership
13. Mike Jones
Ecol. Anthro., Inst. For Culture & Ecology
14. Peter Hitchcock
Technical Adviser, Borneo Tropical Rainforest Foundation
15. Ralph Kaufmann
Trade/products, Ralph Kaufmann&Assoc
16. Suzanne Hanchett
Waste water; foundations
17. Vera Hakim
UNDP, Envir. reform
18. Wilarsa Budiharga
Resource Management and Development Consultants, NGO development facilitation
19. Willie Smits
Director, Schmutzer Primate Center, Jakarta
20. Winfred Hutabarat
Business co-op. Aksara Bookstore

APPENDIX I

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APPENDIX J

KEHATI'S RESPONSE TO THE DRAFT EVALUATION REPORT

INTRODUCTION

KEHATI is pleased to have a final evaluation completed by an external Evaluation Team, to fulfill the requirement of its ten years Cooperative Agreement with USAID which has expired on March 29, 2005. The team of external evaluators under contract with Development Associates Inc. (DAI) was selected and assigned by USAID to assess the ten years performance of KEHATI's operations under the agreement, and provide recommendations for the future of KEHATI, as well as for the future relation between KEHATI and USAID.

After 20 days of hard works and in less than a week after they return home, the DAI Evaluation Team (Roger Paget, Raleigh Blouch, Lia Juliani, and Richard Sutton) has produced a 58-page draft report (dated May 2005) entitled "Evaluation of the Indonesian Biodiversity Foundation (IBF) Project – Yayasan KEHATI", which consist of 5 chapters of narrative report and two chapters on recommendation and conclusion.

This document is a response to that draft report, as KEHATI feels that some parts of the draft report need some clarification and/or correction, and appreciate the opportunity given for that purpose, before the report finally approved by USAID and/or disclose to the public.

In addition to the works done in KEHATI's office, the Evaluation Team has made interviews with some key persons (KEHATI's staff and other relevant stakeholders, except KEHATI Board members), and conducted field visits to areas of KEHATI's current major projects, namely in Yogyakarta, Madura, Sumba island, and Central Kalimantan. In KEHATI's office, all necessary documents were provided and made available for their access. They were also free to meet, discuss, obtain or request other necessary data and information to the board and to the relevant staff members of KEHATI.

This response paper is based on written inputs collected from all management staff and some board members of KEHATI, as well as the result of a special staff meetings on that subject. It consists of several parts : (a) Introduction and background ; (b) General Response on the draft report ; (c) Response to the draft Recommendations and Conclusion ; and (d) A more detailed responses to specific parts of the draft report as presented in the following tables:

Table 1 : KEHATI's clarification and comments on some statements quoted from the draft report;

Table 2 : Inconsistent findings, contradictory statements and recommendations which need further thought or explanation from the Evaluation Team;

Table 3 : Correction of some data, words and terminologies.

And in addition to the above , there are also 2 attachments of documents which should formed an integral part to this KEHATI response paper : 1) Dr.Emil Salim's comment on the draft evaluation report and 2) Clarification on the implementation of recommendations on the issue of KEHATI's Governance made by the Mid-term Evaluation Team in January 2000.

GENERAL RESPONSE

The general response of KEHATI on the draft report is as follows:

- ▶ KEHATI appreciates the Evaluation Team’s remark and labeling KEHATI in its report as “a sterling success story” and “in a decade of its operation has become Indonesia’s most respected organization”. We are even flabbergasted by the Evaluation Team’s finding that “as an organization, KEHATI is universally regarded as an exemplary in its conduct, effective in its programs and unequalled in the quality of its personnel”.
- ▶ KEHATI also accepts and welcome both criticism and concerns of the Evaluation Team about KEHATI’s operations as expressed in the draft report, because some of them are based on valid observations and sound technical and/or policy considerations. However, we are also concern with the evaluator’s quick and hazy judgement as well as inconsistencies in making credible analysis, confusing statements, misleading generalization and thus inappropriate recommendations, because they are not necessarily based on or supported by accurate data and/or sufficiently valid information or argument. And perhaps also because the team did not sufficiently probe and adequately comprehend the dynamic socio-economic and political context of Indonesia particularly during the transitional period to democracy and recovery in 1997-2002 under which KEHATI has to survive and operates. To help the team understand this latter point, we suggest the team to reconsider its analysis and judgement on KEHATI, among others to be based upon Emil Salim’s brief explanation in response to the team’s draft report and is hereby attached to this document (see Attachment 1).
- ▶ The draft evaluation report contains many good things and makes some beautiful paintings about KEHATI. But it also tries to balance the rosy picture by showing KEHATI’s relevant deficiencies and weaknesses in several areas or aspects of the foundation’s operations to date, and therefore it presents several good recommendations and challenging conclusion. However, overall, we don’t find much of new things or strategic findings for KEHATI’s future development. Several new opportunities and challenges currently faced by KEHATI, as presented to the team at the entry briefing, are not adequately addressed by the draft report. And when they are addressed and the team proposed some good ideas or suggestions, practically there is no sufficient elaboration on how KEHATI should or could implement the proposed solution. Except for “the controversial idea of launching newly independent KEHATI”, many of the major findings and recommendations of the Evaluation Team are in fact about problems already identified or are in the KEHATI’s executive planning to be solved and implemented for 2005-2006. In a way this could also mean that the evaluation report is giving endorsement on what has been decided by the Board or what has been planned by the management team of KEHATI.
- ▶ KEHATI fully understands that within such a limited time constraint, it is very difficult to evaluate comprehensively the ten-year activities of KEHATI, with its dynamic changes in the institution and program approaches. It seems there was not enough time to read, let alone examine all important KEHATI documents by all four member of the evaluators. Other than having general entry and exit meetings with the board and staff members of KEHATI, none of the evaluators have asked for or made direct interview with individual

members of the Board of KEHATI. Accordingly, the evaluators seem to have some misperception and misunderstanding in drawing their own conclusions about the internal governance of KEHATI. The limited time seems also did not allow the evaluator to interview key persons in the Committee and Staff members of KEHATI and other relevant stakeholders, nor using available benchmark and success indicators as set in the Cooperative Agreement between USAID and KEHATI. Further, due to the lack of an agreed methodology, analyses from site visits were ununiformly presented, creating some confusion for KEHATI regarding the success or failure of the program. And lastly the handicap often encountered during the evaluation process, was the “different, more sophisticated language” used by the team leader and the rather poor or limited English used by most KEHATI staff, which often made the communication between the two seems problematic. This is apparently also felt practically by all KEHATI staff and Board members who have real difficulty in trying to capture the intended meaning by the author after reading his introduction (Chapter 1) of the draft report .

- ▶ Nevertheless, KEHATI thanks the Evaluation Team for their time, energy, and thought devoted for the overall process of the evaluation to make KEHATI perform and look better in the future. Although it often makes us feel awkward and even embarrassed, we also highly appreciate the sympathy and empathy shown by each and every member of the Evaluation Team towards KEHATI’s cause, which makes the evaluation process a rewarding experience for all of us.

RESPONSE TO THE DRAFT RECOMMENDATIONS AND CONCLUSION

The following is KEHATI’s response to Chapter 6 (Recommendations) and then on Chapter 7 (Conclusion) of the draft evaluation report:

ON PRINCIPAL RECOMMENDATIONS

1. **Recommendation #1:** do not extend the Cooperative Agreement which expired in March 2005.

KEHATI fully agrees with this recommendation. However, KEHATI proposes to modify the next statement to read as follows:

“Do not extend the Cooperative Agreement which expired in March 2005. Rather, reduce USAID purview to the statutorily required minimum, and retain the endowment fund in perpetuity under the full responsibility of KEHATI’s management” .

2. **Recommendation # 2** is proposed to be modified to read as follows :

“KEHATI should continue to assert and promote its identity as a fully credible independent Indonesian biodiversity foundation with its unique established *niche* as developed thus far. This promotion should anticipate organizational adjustment and program improvement to enable the foundation facing greater and diverse challenges within the broad mandate that biodiversity encompasses.”

3. **Recommendation # 3** is also proposed to be modified as follows:

“KEHATI needs to bring its programmatic aspirations and its financial capabilities into sustainable balance by increasing its resource mobilization efforts, secure additional sources of funding among others through fundraising in the US, to ensure the sustainability of KEHATI’s mission in empowering people in biodiversity conservation for sustainable development.”

Since from the very beginning KEHATI is already independent from any groups, including USAID and the Indonesian government, there is **no need** for KEHATI to “celebrate the launching of a newly independent KEHATI”. The proposed “celebration for the launching of a newly independent” KEHATI gives an impression that under CA 1995-2005, KEHATI was a subordinate to USAID. This is contrary to the real practice in which USAID has never intervened KEHATI’s policies and program operations, and KEHATI has never asked for policy or program guidance from USAID. The obligations KEHATI has to fulfill to USAID are more or less similar to what it does to other donor organizations (i.e., financial accountability, providing periodical/progress reports).

The end of the Cooperative Agreement should be used as a momentum to invigorate the link between KEHATI and the US. KEHATI is part of success story for USAID in Indonesia and hence it is worth of further expose to the US society.

ON ACHIEVEMENT OF STRATEGIC OBJECTIVES

KEHATI’s Strategic Plan of 2002-2007 was developed and formulated through a long and comprehensive consultation processes, involving all stakeholders in the seven bioregions in Indonesia. This public and stakeholder consultation processes was deemed necessary and adopted by the Board of KEHATI, to overcome the severe problem of credibility and public trust to most public authorities and private institutions in the country, due to the prevailing bad governance (KKN - corruption, collusion and nepotism) before and during the period of multi-dimensional crisis that struck Indonesia in 1997-1998. Therefore it was absolutely important for KEHATI to gain this public trust and stakeholders’ confidence in KEHATI’s programs during the crisis, by inviting them to actively involved in an open, transparent and participative process of formulating KEHATI’s long-term plan. Through that long and cumbersome participation processes, many stakeholders then have a sense of ownership to the goal, objectives, strategies and programs finally adopted by KEHATI in its strategic plan.

Strategic Objectives for 2002-2007, therefore, in a way reflects the multi-dimensional expectation of KEHATI’s stakeholders. KEHATI has the same opinion as the Evaluation Team that as a document, the Strategic Objectives become complex and very ambitious, resulting in the difficulties in formulating clear indicators for the implementation of KEHATI’s programs to meet a specific target. Nevertheless, KEHATI cannot change a document which is the result of its commitment to the public. That would really undermine the credibility of KEHATI as a public institution. Even so, in practice KEHATI knows how to interpret the Strategic Objectives, by combining process and output indicators. In due time, with due consultation again with its stakeholders, KEHATI will re-evaluate the Strategic Objectives and makes the necessary adjustments.

In conclusion, basically KEHATI has no objection with the Team's recommendation on the issue of achieving Strategic Objectives, however, we would like also the Team acknowledges and understand the reason why the current Strategic Plan and Strategic Objectives have been formulated as such.

As to the Team's recommendation on the position of Executive Director, KEHATI has no problem in endorsing it, because it is in line with the decision of the Joint Board of Trustees and the Executive Board meeting of KEHATI held in February 8, 2005. In that meeting, the Board already accepted Ismid Hadad's plan for resignation as Executive Director, and the Board of Directors has decided to terminate his assignment as Executive Director at the end of 2006. A year prior to the termination, the Board of Directors will start an open search for competent and qualified candidates for the position. The new Executive Director will be hired in July 2006, and therefore, allowing six month for the current Executive Director to pass on all necessary vision and knowledge to his successor.

Regarding the recommendation on the public literature written in English, this recommendation appears without any reference to any analysis on related issue in previous chapters. The proceeding chapters do not discuss about communication strategy nor communication products. Likewise, it would be more helpful if the evaluation team could be more specific as to which communication products that KEHATI needs heavy improvement.

ON PROGRAM ISSUE AREAS

KEHATI does not divide its programs into biodiversity program and issue program. All KEHATI's programs are part of biodiversity program. The biodiversity programs are categorized into "area based program" and "issue based program".

- "Area based programs" are biodiversity programs developed in certain areas using the ecosystem approach (in a particular bioregion) to promote community based conservation and sustainable use of biodiversity resources.
- "Issue based programs" are biodiversity programs that are not attached to any specific area or bioregion, but based on certain thematic issues which tend to have sectoral, inter-regional and often national coverage. All the issues are related to biodiversity programs, from education (e.g. 'Go Green School' program for high schools that can have national scope) to public policy advocacy (e.g. biosafety policy study, natural resource management policy, etc).

The term bioregion is not an arbitrary geographic label. The 2002-2004 KEHATI's Strategic Plan (also the 1999-2001 KEHATI's Strategic Plan), Indonesian Biodiversity Strategy and Action Plan (IBSAP) for 2003-2020 of BAPPENAS all mentioned and used that term:

- KEHATI used bio-region and concentrated its operation on priority areas of the chosen bioregion, creating a biodiversity activity focus on 'community-based eco-region conservation plan';
- KEHATI divided its working areas into seven bioregions, as also used by the Government of Indonesia in classifying the region (written in the document 'Biodiversity Action Plan for Indonesia (BAPI)' published in 1993). The concept of bio-region was developed in order to include ecological, socio-economical, and political aspects in decision making process on planning and management of natural resources;

- Since 1999 in its first three-year programmatic approach, KEHATI selected four of the seven bioregions in Indonesia as priority areas, namely bioregion of Jawa-Bali, Kalimantan, Papua, and Nusa Tenggara. However, to assure program continuation adopted in the previous years, in addition to the bioregion priority, KEHATI still continues its program in Sumatra bioregion, particularly for the Small Research Grants- Kerinci Seblat National Park and related program issues.

ON RESULTS FRAMEWORK

The seven recommendations proposed by the team to enhance and strengthen linkages with communities at large and policy makers are indeed in line with KEHATI's next plan. Special emphasis will be given by KEHATI on the third points regarding the clear indicators for outputs, outcomes, and impacts of KEHATI's programs.

On General Management

The three points elaborated by the team in this section are indeed excellent recommendations for KEHATI. Again, this will improve the current and KEHATI's plan for 2005-2007.

On Program Management

The management structure of KEHATI is not as flat organization as the evaluation team thought it is. In the formal organization structure approved by the Executive Board of KEHATI in August 2002, there are at least four layers of managerial positions. Under the Executive Director and above the program and task managers, there is a second layer consists of at least 3 (three) senior director positions: (1) for Finance & Administration (Gustaaf A. Lumiu), (2) for Grantmaking Programs (Dr. Anida Haryatmo) and (3) for Communication & Resource Mobilization (currently a vacant position, but the job often assigned to Suzanty Sitorus, the incumbent manager in the same section). Last year this layer is added with one more position, temporarily called "Senior Policy Advisor" (Dr. Ani Mardiasuti) which is equal to Associate Director's level, in charge of program policy, planning, monitoring and evaluation. Only these four associate directors are appointed by and directly responsible to the Executive Director. Under these four associate directors, there is a third management layer consisting of program managers, bioregion desk coordinators and task managers, and they in turn are assisted by a fourth layer of assistant managers. In short, currently KEHATI's management has one (1) Executive Director, three (3) Senior/Associate Directors, eight (8) Program and Task Managers, and nine (9) Assistant Managers.

Considering the current number of staff (30 persons), the annual budget and overhead cost of KEHATI, in this short period KEHATI does not have any plan to open additional positions, especially for one or two new position below the Executive Director, except for filling the still vacant positions (i.e. Resource Mobilization/Fund-raising Director. However, KEHATI might consider to re-assemble job descriptions and rotation of staffs function at or equivalent to the director as well as manager's level. Should a fundraiser in the US will be needed by KEHATI, he/she will not be hired on a permanent basis but more of a consultant assignment.

On Financial Management

KEHATI appreciates the financial recommendations made by the Evaluation Team in this section. KEHATI understands that all efforts will be given to ensure sustainability of the funding, in the uncertainty of the US based stock market and availability of funds that will be able to be generated by KEHATI. However, equally pressing problem faced by KEHATI today is in the spending policy from the endowment income for the general administration expenses. Originally KEHATI's general administration expenses was limited to 25% of the endowment fund, and then in the second amendment to the Cooperative Agreement last year, USAID has generously agreed to allow increasing this overhead percentage limit up to 35% .

From real experience of KEHATI's financial management during the last 3-4 years and especially in the long-run, the policy of fixing 35% limit for administration expenses from the endowment , will not solve the financial management problem of KEHATI. The major factor to be considered here is the changing composition of the sources of fund in KEHATI's annual total budget. With increasing drive in KEHATI's fund-raising and resource mobilization from other sources since 2001, the annual budget of KEHATI has changed from originally about 95% to 80% of the budget derived from income of the endowment fund, to currently only about 50% to 60% from the endowment. And this composition of fund sources in KEHATI's annual budget will keep on changing, depending upon KEHATI's success or failure in fund-raising and the fluctuating market value of the endowment fund.

The argument to increase the spending of endowment income to 35% for General Administration in 2004 was due to the declining market value of the endowment fund in the years 2002 and 2003. The endowment income withdrawn was to back KEHATI's annual budget in those years were far below the years before. It was declining from a peak of US\$1.4 million to US\$0.88 million. In fact, as a percentage to the endowment, KEHATI's expenditure for General Administration is always increasing in nature. The second argument was the reluctance of most donor agencies to pay the indirect cost of its sponsored program for KEHATI, since they knew that KEHATI has its own source of fund to bear such overhead cost. The capital market condition at present is still volatile, and the trend in the years ahead will continue.

Therefore, with regard to the modifications offered by the team, KEHATI proposed a different amendment for the second modification. The original modification of CA in 2004 reads : “to modify the percentage that limits administration expenses to 35% of endowment income”. KEHATI now prefers to propose the following modification :

“the limit or restriction in using the endowment income for general administration support in the annual budget of KEHATI will be reviewed and approved annually by the annual meeting of KEHATI's Board of Trustees (*Dewan Pembina*)”.

This proposal is in line with the spirit of the Evaluation Team's recommendation that after 10 years of experience in its operation with financial supervision from USAID, KEHATI now is able to manage the fund by themselves and the Board of Trustees of KEHATI will in turn take full responsibility in overseeing the use and prudent management of its endowment fund.

Regarding the fundraising strategy, KEHATI realizes that potential foreign donors - be it companies, foundations, and individuals—are worth of exploration. However in the best interest

of its long-term sustainability and image as an independent entity, KEHATI has to also explore domestic prospects and other innovative mechanisms such as “debt-for-nature swaps”, “environmental/ecosystem services payment” and philanthropy for the environment. KEHATI has joined forces with other concerned organizations to improve the policy environment so as to support the growth of domestic individual and corporate philanthropy in Indonesia. Unfortunately, the draft report does not address these new opportunities .

While KEHATI recognizes the recommendation on fundraising, it should be understood that the current initiative of Green Fund and the establishment of a commercial enterprise aimed to diversify and to allow a long-term and sustainable basis of KEHATI’s funding sources. Considering the clear albeit slowly increasing trend in “socially & environmentally responsible investment” in Asia and also in Indonesia today and in the near future, we think that the prospect of Green Fund is still worth pursuing for KEHATI. Tax is certainly an important consideration, but not necessarily the only and determining factor in this case. We regret that the evaluator did not sufficiently explore this issue nor elaborate his recommendation on the potential of fund-raising in the US.

It is also not entirely correct that fundraising initiative and drive should come from KEHATI’s Board. Besides, there are now 3 different boards of KEHATI with different and clearly defined roles and responsibilities as determined in KEHATI’s Articles of Association. In terms of fund-raising, the Board of Trustees (*Dewan Pembina*) only provides advice and catalyst to the Executive Board (*Badan Pengurus*) who in turn will provide policy guidance and direction to the Executive Director who leads the fund-raising and resource development group in KEHATI. Since 2002 the Executive Board also established a “Fund-raising & Resource Mobilization Committee” to assist the Board in supporting and overseeing the implementation of resource mobilization activities. The Committee comprises external professionals of high calibre from the banking and other private sector community and from civil society organizations . It was these professional bankers and other private sector members of this Resource Mobilization Committee who has helped KEHATI’s management in the application and negotiation of “debt-for-nature swaps” for Indonesian debt with Export Credit Guarantee Department (ECGD) of the UK Government in 2002-2003, and also in developing the concept of “Green Fund” for KEHATI . It was also the Executive Board of KEHATI with the support of Ford Foundation, who since 2003 initiated and supervise the program for strengthening corporate and civil society philanthropy in Indonesia with its secretariat in KEHATI to create a more enabling environment for fund-raising for socially and environmentally responsible investments and program activities in Indonesia.

On Future Relationship of KEHATI – USAID/Indonesia

KEHATI welcomes the recommendation on future actions, including the replacement of Cooperative Agreement with a standard Letter Agreement, the submission of Annual Reports, and allowing opportunity for KEHATI to be a USAID grantee and/or maintain cooperation on program/project basis. In addition to other matters written in this part, KEHATI feels that the Evaluation Team need to re-stated that the endowment fund is granted in perpetuity to KEHATI and that it will be used under the full responsibility of KEHATI’s management for biodiversity related activities in Indonesia.

Nevertheless, KEHATI wishes to reserve the view of the Evaluation Team regarding the reformation of KEHATI’s Board. As this subject is entirely different and does not have any

linkage with the future relationship of KEHATI – USAID, it needs to be placed under different heading, for instance under ‘Governance’, as it was also commonly used in the mid-term evaluation report of January 2000.

On Conclusions

KEHATI appreciates the conclusions made by the evaluators. It sounds beautiful, although there seems remains some lingering ambiguities in wrapping up the entire process of observations, leading to the multi-interpretation on the achievement of KEHATI.

Since the proposal on “launching a newly independent KEHATI” is still strongly underlined in this concluding chapter, the evaluation team is kindly requested to “replace” their intended meaning with some other phrases or formulation that could still serve the same spirit.

JAKARTA, 18 MAY, 2005

THE BOARD & MANAGEMENT STAFF
OF YAYASAN KEHATI