

FINAL PROJECT COMPLETION REPORT

I. BASIC DATA

Organization Name: Conservation International-Indonesia

Project Title: Implementing the Conservation Concession Approach on Sumatra's Siberut Island

Implementation Partners for this Project:

Project Dates (as stated in the grant agreement): November 1, 2003 – October 31, 2004

Date of Report (month/year): April 15, 2005

II. OPENING REMARKS

Provide any opening remarks that may assist in the review of this report.

In May 2003, the Ministry of Forestry (MoF) cancelled the preliminary permit for the Siberut logging concession held by PT.Salaki Summa Sejahtera (SSS), thanks to CI-I and partners' intensive advocacy and policy efforts. Following the cancellation, we learned that PT SSS intended to appeal this decision, and pursue legal action against the MoF, by filing a lawsuit on the grounds of procedural irregularity in the denial of the concession. At the same time, we also learned that the MoF was anticipating a proposal from CI-I and its implementing partners for a Conservation Management Agreement (CMA) for Siberut.

Given PT SSS's intentions to appeal this decision, the anxiousness of the Ministry to see a proposed CMA submitted, and the request from MoF for CI to support the monitoring and patrolling system in the area of the former PT SSS to prevent illegal logging activities, CI-I requested and received bridge funds of \$92,840 from CEPF. The purpose of these funds were to: 1) solidify the legal position of the MoF in the face of the PT SSS challenge; 2) develop a draft CMA for submission to MoF and GCF; and 3) intensify stakeholder engagement efforts at local and national levels, with an emphasis on northern Siberut.

However, unexpectedly, the MoF re-issued a letter reinstating the logging concession of PT.SSS in December 2003. According to MoF, the logging concession was reinstated primarily because the Mentawai district government required extra regional revenue that could be gained through timber production, and the government was unsure about the viability and benefits that the CMA could bring. Strong indications show that the decision was made as the MoF was under pressure by the district government to actuate the CMA since people needed electricity, scholarship, and market opportunities for their non-forest timber products. In order to deal effectively with the new reality on the ground, CI-I has modified its strategy and is now working with a wide range of partners to revoke the Ministry's decision. Letters protesting the reinstatement of the logging concession have been sent to the MoF by communities, local and national NGOs, and governmental

institutions. At the same time, following a meeting with MoF in April, CI-I was asked to conserve and manage an area of 20,000 ha within PT SSS area of 49,400 ha, with the intention of achieving a win-win solution between conservation efforts and timber production. The MoF also suggested that CI-I start with a smaller scale CMA that could reduce the organization's management burden. However, in its discussions with the MoF, CI-I remained adamant that a large-scale logging operation will harm Siberut environmentally, socially, culturally and economically.

Chronology of CI-I's struggle to fight against the ill-fated MoF decision.

In February 2004, CI-I managed to meet the key decision makers within the MoF to express our concern about the predicted future of Siberut Island following the reinstatement of the logging concession. CI-I criticized the decision-making mechanism within MoF and the judgment behind the decision by presenting data and information and discussing the progress that CI-I and partners have achieved in the field. The MoF staff acknowledged the consequences of the decision to reinstate the concession, but expressed that it would be politically difficult to cancel the reinstated concession,. Therefore, the MoF asked CI-I for help in conserving up to half of the given logging concession area of PT.SSS. The MoF also promised CI-I that in order to promote conservation efforts in Siberut, it will treat PT. SSS differently from other logging concessions by imposing firmer and more rigid rules and regulations (including a monitoring mechanism) that will be formalized together with CI-I in the form of a Ministerial Decree.

In April 2004, prior to issuing the determination of the total working area that would be given to PT SSS, the MOF requested that CI-I determine which area, amounting to approximately 20,000 hectares, within the granted concession of PT.SSS should be saved for conservation purposes. The assessment was based on (1) the habitats of important species; (2) the areas with high economic, social and cultural important for the Mentawaiian; (3) the areas regarded as the "green wall" for the purpose of protecting the boundary of Siberut National Park; and (4) the forested areas that are suitable for research and conservation education purposes.

In June 2004, after completing their assessment of the logging concession area, CI-I and partners' published a policy paper describing the scientific data and findings of the assessment. The assessment showed that although the vegetation analysis found that the potential commercial tree-per-ha in the area is more than 75 m³/ha (as required by recent MoF regulation to obtain a new license), the environmental conditions of the proposed logging concession can be regarded as very vulnerable. The assessment found that large-scale logging would cause major, irreversible environmental damage (such as erosion, landslides and floods) and speed up the extinction of Siberut's four endemic primates (protected by Act No. 43/1978 per CITES and international law). Moreover, this primary dipterocarp lowland forest also contains endemic Sumatran tree species and certain dipterocarp species included in IUCN's *Red List of Threatened Species*.

In August 2004, due to continuous pressure and advocacy efforts by CI-I, a split occurred between the MoF, the Directorate General of PHKA and the Directorate General of Production Forests (BPK). PHKA agreed with CI-I that, based on the scientific analysis of the island, large-scale logging should be banned on Siberut. PHKA also expressed fears that a logging operation would cause social conflicts, as

landowners, including those who claimed lands inside the Siberut National Park, would want to sell timber to logging concessionaires, and thus also leading to more illegal practices inside the NP. However, BPK and the local government still insisted that CI should go ahead with its proposal to work together with PT SSS to manage the designated 20,000 ha biodiversity rich sites within the area of PT SSS, and to pressure and to assist PT SSS to strictly manage its concession in sustainable manner.

In October 2004, the split views about the controversial decision of PT SSS intensified, and so the MoF decided to obtain an independent assessment in order to come to a decision. The independent assessment team consisted of 20 representatives from DG of PHKA, DG of BPK, DG of Forestry Planning; Forestry RND, Forestry Law Bureau, LIPI, Ministry of Environment, University of Andalas (padang), Provincial & District Forestry Offices, Local Parliament, community, leaders, Siberut NP, Local NGOs, UNESCO and CI-I The Minister of Forestry agreed to formally supervise the team himself, and to recognize the team's decisions. The Minister signed a Ministerial decree for the team's establishment on 19 October 2004 and agreed to fund the team's operational costs.

The independent assessment team was divided into three working groups, namely: (1) ecology and environment group, (2) policy and legislation group, and (3) socio-economic group.

The first group, which was made up of representatives from local NGOs, conducted a field assessment and a review of literature. The group concluded that because of its soil types, shallow water table, and high slopes, extensive logging and land clearance on Siberut Island could likely lead to massive land slides and erosion.

In reviewing the relevant policy and legislation, the second group concluded that the decision to classify the target area as production forest was merely based on its elevation, without the conduct of a serious environment impact analysis. The group learned that the previous independent assessment team had in fact recommended that only non-timber exploitation be permitted, but the recommendation was changed by key decision-makers to permit timber utilization. Additionally, the group found that the previous government had intended to grant the forests to University of Andalas under the Land Grant College scheme to be used for research and education purposes only, but the current government then changed the scheme to give a license to a contractor to extract timber. Finally, the team also recently found that official contribution to PAD (regional revenue) from the forestry sector was zero, meaning that no funds were available for community and regional development from the sale of Siberut timber and implying that the funds were transferred elsewhere.

The third group, which was responsible for assessing the socio-economic impact of the decision, found that local communities are highly dependent upon the NTFP for their income, as they harvest rattan and spices from the forest. The group concluded that commercial logging would destroy this aspect of local culture as people would more be likely to sell timber to contractors in the present, for relatively cheap prices, while destroying the future and long-term economic uses of the forest for their future generations.

III. ACHIEVEMENT OF PROJECT PURPOSE

Project Purpose: To establish a Conservation Management Agreement that governs resource use and habitat maintenance of currently unprotected forest on the island of Siberut in the former area of PT.SSS (20,000 ha).

Planned vs. Actual Performance

Indicator	Actual at Completion
Purpose-level:	
<p>1. At least 3 NGOs, Universities and other institutions submit letters rejecting decision of MoF regarding reinstatement PT.SSS by month 5.</p>	<p>Strong local NGOs, e.g. WALHI, YCM, Perum Uma Mentawai, AMAPM, have submitted letters rejecting MoF's decision to reinstate PT.SSS. The German Primate Center (GPC), in cooperation with IPB Primate Center and other partners, has conducted a press conference concerning the urgent need for protecting the habitat for endemic primates in the area of PT.SSS. Siberut NP has also sent a letter to MoF concerning potential problems in the future if PT.SSS is allowed to operate in the field.</p> <p>Advocacy efforts helped to foster split opinion within MOF as the PHKA, Forestry RND and Planning Agency opposed DG of Forest Production over PT SSS issue. This sparked ministerial decision to form an independent team to assess the case. The above NGOs approached Local Parliament and presented data about lack of revenue from forestry sector. The case led to strong protests by the Parliament and community over District government policy on timber exploitation and they demanded that police probe alleged corruption of the Bupati (local government head) and Head of Forestry Office.</p>
<p>2. LIPI provides letters to the President of the Republic of Indonesia requesting that logging should be banned in Siberut and monitors the progress by month 1.</p>	<p>LIPI has sent two letters to the President exploring the possibility of issuing a Presidential decree to ban on logging in six biosphere reserves including Siberut BR. The President did not respond herself but ordered the Minister of Forestry to follow -up, as the President herself was aware of the problem. Through a Ministerial Decree, the Minister then formed an independent team to review and assess the pros and cons of logging operations in Siberut. The independent team also investigated the legality of the Bupati's issuance of logging permits.</p>
<p>3. The MoF adopts the proposed Conservation Management Agreement by month 5.</p>	<p>MoF has asked CI-I and LIPI to identify and determine the biologically significant area within the allocated logging concession areas for PT.SSS. In cooperation with GPC and IPB Primate Center which have been managing Primate Research Station in the north of Siberut, CI-I has identified a 20,000 ha potential area to be conserved for primate habitat. Based on the assessment and identification, CI-I proposed the establishment of CMA covering the area of 20.000 ha. Meetings to discuss and to review the proposal with MoF are scheduled for the first or second week of May.</p> <p>The reinstatement of the logging concession has slowed and endangered the concept of the CMA, as the community is interested in higher cash incentives the concession can offer. Thus as long as the concession stands, the CMA will be hard to implement because landowners in the conservation area will be tempted to sell their timber.</p>

<p>4. Local stakeholders (local community, head of sub district of North Siberut, local NGOs) in northern Siberut express support for conservation in Siberut and, in particular, a ban on logging through series of meetings by month 4.</p>	<p>CI-I has conducted a series of meetings in several villages in the northern part of Siberut. The villages of Sotboyak, Policioman and Sikabaluhan have expressed their strong support for conservation and have sent letters to the MoF protesting the logging concession.</p> <p>However, PT SSS has also approached local communities and local government and offered cash payments in return for their consent to the concession. It will require intensive involvement of CI to regain community confidence that conservation in the long run is more highly profitable than timber. The RARE campaign has had some success in promoting community belief in conservation. However, it remains to be seen whether these communities will be able to resist the payments offered by PT SSS.</p>
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Describe the success of the project in terms of achieving its intended impact objective and performance indicators.

The project has successfully developed a strong partnership with other stakeholders to conserve Siberut and prevent large-scale logging. This collaboration was practically non-existent before CI's involvement on the island. Due to CI's image and strategy, it has been successful in meeting the main interest of its partners by providing appropriate technical assistance (including capacity-building) to key stakeholders and civil society groups. This partnership strategy has successfully created working alliances among diverse interest groups at the national level (MoF, LIPI, ADB, UNESCO, and Ministry of Environment) and at the local level (Parliament, community, local NGOs). The partnership was able to develop community awareness about the importance of protecting natural resources. CI also proved that the media could play a very important role in the advocacy process to raise public support for a "conservation management area" agreement in Siberut Island. CI was able to work with various media outlets on the remote Siberut Island, to disseminate the findings of the investigation and legal review on concessionaires to broader audiences in the Mentawai Islands and in West Sumatra.

Unfortunately the project has not been able to implement some of its objectives within the anticipated timeframe (including the official adoption of the CMA) due to the reinstatement of the logging concession and the activities of PT SSS. The community payments being offered by PT SSS will continue to have an effect on CI's ability to marshal support for the CMA.

Were there any unexpected impacts (positive or negative)?

Positive: At the local level, the support from community leaders local NGOs was greater than expected. The support of the local parliament was particularly unexpected, as this institution is well-known in Indonesia for often pushing the local government to place a stronger emphasis on increasing regional revenue than on the longer-term benefits of sustainable environmental activities.. This experience has proved that conservation work can be based on mutualism, as some parliament members, through CI's communication strategy, chose to promote conservation in order to win public support.

Negative: The concept of CMA can be an appropriate scheme to find alternatives to exploiting natural resources for regional development. However, in the case of the Siberut logging concession, lack of understanding on how this scheme works has caused the government to lose patience and return to traditional option for raising revenue. Successful implementation of a CMA requires time to educate stakeholders about the process and benefits, so that they will lend their support to sustainable resource management initiatives. In a situation where there are strong competing interests that can offer more immediate short-term benefits, like the logging concession, this time is not always available. The CMA scheme might work more effectively within a situation where the decision-makers enjoy support from their people because the people have sufficient knowledge on environmental benefits.

IV. PROJECT OUTPUTS

Project Outputs: Enter the project outputs from the Logical Framework for the project

Planned vs. Actual Performance

Indicator	Actual at Completion
Output 1: Legal process regarding the reinstatement of PT.SSS concession assessed.	
1.1 Legal analyst identified and hired to analyze legal process of reinstating PT.SSS concession by month 5.	CII hired Yayasan Pengkajian Hukum Kehutanan dan Lingkungan Hidup (YPHKLH) to conduct a legal review on reinstatement of PT.SSS. CII has also worked closely with WALHI and YBHI (Legal Aid NGO) in Padang to conduct a series of meetings and dialogues with the assistance of YPHKLH. The purpose is to urge the MoF to revoke the reinstatement of PT.SSS. The justifications to revoke PT SSS have been used by the independent assessment team to develop its strategy.
1.2 Legal analysis finalized and disseminated to other environmental NGOs to prepare possible lawsuit by month 5.	Legal analysis has been completed and shared with WALHI and YBHI to prepare possible lawsuit. WALHI has sent two letters to MoF concerning the possibility to challenge the decision of MoF in court. WALHI had softened its stance since MoF agreed to formally form the independent assessment team. <i>(Please refer to copies of the legal analysis attached to the email accompanying this report, in English and Bahasa.)</i>
1.3 Media package on conservation in Siberut for distribution to mass media prepared and media expedition to the island conducted by month 2 of the project.	CII organized a media expedition to Siberut and published a series of articles/features about Siberut in national and local newspapers. The Indonesian Forestry and Media Campaign (INFORM) project also visited the island and produced a documentary film concerning the communities' opinion regarding forest exploitation and the impact on daily life. The documentary was launched in Jakarta, on December 17 th , 2004, at the Ismail Marzuki Art and Culture Center, as part of Mentawai government cultural and art performances. Entitled "The Wound of the Forest in Siberut," the documentary tells the story of the Mentawai tribe and its forest.

	The film illustrates the problems caused by logging practices and tells how the community, CI and UNESCO worked together to solve these problems. <i>(A DVD of the documentary is en route to CEPF from Indonesia as of July 2005)</i>
1.4 Support MoF, local forestry offices and national park on monitoring and patrolling system in the former area of PT SSS to prevent illegal logging activities conducted by month 2.	Based on a request from DG. Production Forest at MoF, CI-I submitted a workplan for patrolling and monitoring system in the former area of PT. SSS in North Siberut.
Output 2: Proposed Conservation Management Agreement Drafted and Submitted to Ministry of Forestry and CEPF.	
2.1 Proposed compensation package and mechanism designed and justified by month 1 of the project.	As MoF reinstated the logging concession of PT.SSS, the proposed compensation package and mechanism could not be designed and justified as initially planned.
2.2 Management plan and the remaining terms for CMA drafted and circulated to key partners for feedback by month 2 of the project.	Management plan has been finalized and a version has already been circulated to key partners, including UNESCO, LIPI and PHKA. The plan was discussed with MoF during the first week of May.
2.3 Draft CMA submitted to MoF by month 2 of the project.	The CMA proposal is finalized and was submitted to MoF during the last week of April. <i>(Please refer to a copy of the CMA in Bahasa attached in the email accompanying this report).</i>
Output 3: Increased support for Conservation Management Agreement on Siberut from Broad Spectrum of Stakeholders.	
3.1 At least 5 meetings held with local communities in the north, the head of the sub-district of North Siberut, and local NGOs to gather support for the CMA by month 2 of the project.	Five meetings were held with local communities to explore support for CMA. Data regarding community land-use, ownership and livelihood was collected during these meetings to support the establishment of CMA. CII also met on several occasions with the head of the sub-district of North Siberut and local NGOs to discuss related issues. The head of the sub-district has indicated that he is amicable to supporting conservation efforts provided the communities receive support and economic benefits are realized. CII will use the PRA method in order to ensure designated efforts are suitable and to enhance the community's connection with the intended results.. The focus of CI's upcoming CEPF grant includes implementing the PRA method, concentrating on providing community support and realizing economic benefits for the communities.
3.2 At least 4 meetings held with LIPI, UNESCO, DG of Forest Protection and Nature Conservation (PHKA), DG of Production Forest (BPK) and other departments at MoF by month 2 of the project.	More than four meetings were organized with LIPI, UNESCO and DG of Forest Protection and Nature Conservation (PHKA) DG of Production Forest (BPK) and other departments. All these meetings discussed the legal and operational possibilities to establish a CMA in the north of Siberut.

Describe the success of the project in terms of delivering the intended outputs.

During project implementation, CI-I has, with its partners, facilitated the completion of several assessments and investigations to support the advocacy and policy efforts directed at eliminating logging concessions on Siberut.

Were any outputs unrealized? If so, how has this affected the overall impact of the project?

The Conservation Management Agreement (CMA) has not yet been submitted to Ministry of Forestry and CEPF, due to delays caused by the reinstatement of the logging concession, as was described above. CI-I still plans to submit the CMA, but we are unsure if it will be approved and implemented. However, implementation of a formal structure like the CMA is not absolutely necessary for conservation on Siberut. Even if the CMA is not implemented, as long as the local people clearly understand the benefits of protecting the environment and ecosystem encompassing their communities, the project can still achieve its intended conservation impacts. Consequently, CI-I has increased its efforts in promoting more informal types of conservation awareness and advocacy.

V. SAFEGUARD POLICY ASSESSMENTS

Provide a summary of the implementation of any required action toward the environmental and social safeguard policies within the project.

N/A

VI. LESSONS LEARNED FROM THE PROJECT

Describe any lessons learned during the various phases of the project. Consider lessons both for future projects, as well as for CEPF's future performance.

Conservation initiatives can be difficult to achieve, particularly, as in the case of Siberut, when there are strong competing interests willing to provide short-term monetary benefits. In order to achieve conservation outcomes in this type of situation, working with partners and taking a holistic approach are key. There is no single organization that can successfully run a conservation effort without collaboration with other organizations working in complementary areas, including ecology, environment, politics, economics, and social and cultural issues. Every stakeholder or partner has its own strength, which must be integrated into the overall effort.

The presence of the logging concession has hindered CI's ability to implement the CMA, as communities are interested in the higher cash incentives the concession can offer. Therefore, implementation of the CMA could very well be dependent on CI's and partners' abilities to successfully advocate with the government and/or work through the

legal system to revoke the concession. CI learned that using the media and other activities for raising public support and putting pressure on the government can be very effective methods for influencing changes in governmental policy.

Project Design Process: (aspects of the project design that contributed to its success/failure)

In the design process, CI-I emphasized increasing skills and building the capacity of our partners. For instance, before CI's involvement in Siberut, the staff of the Siberut national park and NGO partners did not have sufficient knowledge about conservation issues to be able to raise awareness in the communities and with decision-makers. As a result of CI's activities, they are now able to debate and present strong arguments about conservation issues, leading to increased consideration of these issues by the District government in its development plans.

Project Execution: (aspects of the project execution that contributed to its success/failure)

Unlike in cultures from other regions of Indonesia, the Siberuts' culture does not provide for the heads of clans to make decisions for and represent their members in all aspects of their daily lives. Every individual has the right to make a decision on his/her own, ignoring the power of the head of the clan. For instance, even if the head of a clan agreed to the CMA concept and committed to put it into practice; it does not mean that all the members would also agree with the head's decision. This was a significant barrier to the CMA implementation, as CI had initially focused its outreach efforts primarily on the clan heads. CI learned that in order to effect change in Siberut, we have to work to ensure that all members of the community are in agreement.

VII. ADDITIONAL COMMENTS AND RECOMMENDATIONS

The process of developing genuine collaboration between CI-I and the Provincial and District Government was delayed by a lack of commitment towards conservation at both the provincial and district levels. Moreover, with new elections at the national, provincial and district level having occurred this past year, many district and provincial politicians were seeking funding sources to secure their re-election. In the past, this situation has led to corrupt practices and the establishment of "mutually remunerative" partnerships between politicians and private sector, i.e., logging companies. Such partnerships have resulted in a poor commitment towards conservation by politicians at the district and provincial government and negatively impacted CI-I's conservation efforts at both the district and provincial level.

The strategy used by CI-I was to approach the "good guys" working with local parliament. This strategy worked nicely as they became the strongest opponent against government policy on forest exploitation. Previously the district government had turned down easily any opposition mounted by local communities and NGOs to fight logging and other destructive practices; but, by working with select members of local parliament,

CI-I was able to rally stronger support which has put increased pressure on the government to change its decision.

Unfortunately, however, the fight to preserve Siberut's important natural resources is not over. Through the work of CI-I and its partners, momentum has started to swing towards conservation, with the local parliament, media, and communities advocating to save Siberut from large-scale logging for the first time. But CI-I must continue its strong advocacy efforts until the logging concession is cancelled. Communities and local leaders will also require additional training and capacity building in order to successfully identify biodiversity priorities, develop sustainable economic activities, and manage the conservation area.

CI-I strongly believes that CEPF, which, along with GCF, is currently the principal source of potential funding for Siberut, should reaffirm its commitment to this priority area and continue to work with the CI-Indonesia to follow-up the positive results accomplished to date. Aside from CEPF and GCF assistance, the only funding currently available to finance conservation efforts to save Siberut Island comes from the central government budget. This amounts to Rp. 1 billion, approximately US \$100,000 per year, to support the operational costs of the Siberut NP. This is an extremely small amount of funding which must be used to support a National Park that covers slightly more than half of the Island. The on-going work of CI-I and its partners have successfully identified strategic issues and activities necessary to save Siberut. Those efforts will enable CEPF to effectively invest in Siberut in order to save this island's important biodiversity.

VI. INFORMATION SHARING

CEPF aims to increase sharing of experiences, lessons learned and results among our grant recipients and the wider conservation and donor communities. One way we do this is by making the text of final project completion reports available on our Web site, www.cepf.net, and by marketing these reports in our newsletter and other communications. Please indicate whether you would agree to publicly sharing your final project report with others in this way.

Yes _____

No _____

If yes, please also complete the following:

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