



USAID
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QUARTERLY REPORT

FIRST QUARTER OF YEAR 1 WORK PLAN

October 1 – December 31, 2015



This publication was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech ARD.

This publication was prepared for review by the United States Agency for International Development under Contract # AID-497-TO-15-00005.

The period of this contract is from July 2015 to July 2020.

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Cover Photograph: Clockwise from left: Manggala Agni (forest fire brigade) fire suppression training, LESTARI Boot Camp in Central Kalimantan, U.S Ambassador to Indonesia Robert O. Blake attending the LESTARI launch.

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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AMCHAM	American Chamber of Commerce
ASEAN	Association of Southeast Asian Nations
BCC	Behavior Change Communication
BKSDA	Nature Conservation Agency
BMP	Best Management Practice
C4J	Changes for Justice
CBO	Community Based Organization
CBS	Constituency Building Strategy
CCA/KKM	Community Conservation Agreements / <i>Kesepakatan Konservasi Masyarakat</i>
CCLA	Community Conservation and Livelihood Agreement
CDM	Clean Development Mechanism
CLA	Collaborating, Learning, and Adapting
CMMP	Conservation Management and Monitoring Plan
COP	Chief of Party
CSO	Civil Society Organization
DAK	Special Budget Allocation Fund
DAU	Regular Budget Allocation Fund
DCOP	Deputy Chief of Party
DSC	Destination Stewardship Council
EGAT	Environmental Governance Assessment Tool
ESP	Environmental Services Program
EU	European Union
FIP	Forest Investment Program
FMU	Forest Management Unit (or KPH)
FREDDI	Indonesia's Fund for REDD+
FSC	Forest Service Council
GESP	Green Enterprise Sustainability Program
GFW	Global Forest Watch
GHG	Greenhouse Gas
GOI	Government of Indonesia
HCS	High Carbon Stock
HCV	High Conservation Value
ICCTF	Indonesia Climate Change Trust Fund
ICT	Information and Communication Technologies
IDIQ	Indefinite Delivery, Indefinite Quantity contracting mechanism
IFACS	Indonesia Forestry and Climate Support Project
IPCC	Intergovernmental Panel on Climate Change
ISCC	International Sustainability and Carbon Certification
ISPO	Indonesian Sustainable Palm Oil Foundation
KADIN	Indonesian Chamber of Commerce
KfW	German Development Bank
LCP	Landscape Conservation Plan
LEDS	Low Emission Development Strategy
LOP	Life of Project
LTTA	Long-Term Technical Assistance

LULUCF	Land Use, Land Use Change and Forestry
M&E	Monitoring and Evaluation
METT	Management Effectiveness Tracking Tool
MIS	Management Information System
MOU	Memorandum of Understanding
MRV	Monitoring, Reporting, and Verification
MSF	Multi-Stakeholder Forum
MSU	Michigan State University
MTD	Monthly Thematic Discussion
NGO	Nongovernmental Organization
NP	National Park
NRM	Natural Resource Management
NRMP	Natural Resource Management Program
NTFP	Non-Timber Forest Product
PA	Protected Area
PCN	Project Concept Note
PDD	Project Design Document
PES	Payment for Environmental Services
PHKA	Directorate General of Forest and Nature
PMP	Performance Management Plan
PPP	Public-Private Partnership
RDMA	Regional Development Mission for Asia
REDD+	Reducing Emissions from Deforestation and Forest Degradation, including conservation, sustainable management of forests, and enhancement of forest carbon stocks
REL	Reference Emission Level
REPLACE	Restoring the Environment through Prosperity, Livelihoods and Conserving Ecosystems
RFTOP	Request for Task Order Proposal
RKT	Provincial Development Plan
RPJM	District Development Plan
RSPO	Roundtable on Sustainable Palm Oil
SDI	Spatial Data Infrastructure
SEA	Strategic Environmental Assessment
SMART	Spatial Monitoring and Reporting Tool
SP	Spatial Planners
SRAP	REDD+ Agency's Strategic Action Plan for REDD+
STI	Sustainable Travel International
STTA	Short-Term Technical Assistance
TBI	The Borneo Initiative
TFA	Tropical Forest Alliance
TFCA	Tropical Forest Conservation Act
TOMS	Total Ozone Mapping Spectrometer
UKCCU	UK Climate Change Unit
UNPAR	University of Palangkaraya
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USDOI	United States Department of the Interior
USFS	United States Forest Service
USG	United States Government
WCS	Wildlife Conservation Society
WDC	Washington, DC
WWF	World Wildlife Fund

EXECUTIVE SUMMARY

This Quarterly Progress Report summarizes the activities and achievements of the USAID LESTARI project during the first quarter of Year 1, October 1 to December 31, 2015.

USAID LESTARI supports the Government of Indonesia (GOI) to reduce greenhouse gas (GHG) emissions and conserve biodiversity in carbon rich and biologically significant forest and mangrove ecosystems. Built on the strong foundation of USAID's IFACS project, LESTARI applies a landscape approach to reduce GHG emissions, integrating forest and peatland conservation with low emissions development (LEDS) on other, already degraded land. This is achieved through improved land use governance, enhanced protected areas management and protection of key species, sustainable private sector and industry practices, and expanded constituencies for conservation among various stakeholders. LESTARI is implemented under the leadership of Tetra Tech and a consortium of partners including WWF-Indonesia, Winrock International, Wildlife Conservation Society (WCS), Blue Forests, Yayasan Sahabat Cipta, PT Hydro South Pole Carbon, Sustainable Travel International (STI), Michigan State University, and the FIELD Foundation. LESTARI runs from August 2015 through July 2020.

LESTARI activities are targeted in six strategic landscapes on three of Indonesia's largest islands, where primary forest cover remains most intact and carbon stocks are greatest. In northern Sumatra, the Leuser Landscape comprises significant portions of Aceh Selatan, Gayo Lues, Aceh Tenggara, and Aceh Barat Daya districts, and includes the Aceh portion of Leuser National Park and Singkil Wildlife Sanctuary. In Central Kalimantan, LESTARI works in the Katingan-Kahayan Landscape, comprising Pulang Pisau, Katingan, and Gunung Mas districts; Palangkaraya municipality; and Sebangau and Bukit Baka Bukit Raya National Parks. LESTARI also works in four landscapes in Papua. Sarmi and Cyclops Landscapes are located along the northern coast and comprise Sarmi district as well as Jayapura district and municipality. The Lorentz Lowlands Landscape, comprising Mimika and Asmat districts plus a large portion of Lorentz National Park, and the Mappi-Bouven Digoel Landscape are located along Papua's southern coast. LESTARI is managed from its headquarters in Jakarta, with offices in each landscape as well as the provincial capitals of Aceh, Central Kalimantan, and Papua.

Overall Results of LESTARI are:

1. At least 41% of total CO₂-equivalent emissions reduced from land use, land use change and deforestation averaged across all landscapes within the project scope;
2. At least 8.42 Million hectares of primary or secondary forest, including orangutan habitat, under improved management;
3. Management of at least six conservation areas improved, resulting in the conservation of valuable orangutan and other key species habitat, and the reduction in poaching of threatened and endemic species;
4. At least ten public-private partnerships (PPPs) promoting low-emissions conservation oriented development established;

5. Funding leveraged from public and private sources, representing co-investment in project outcomes;
6. Increased commitment of key private sector, government, and community stakeholders regarding the positive benefits of conservation and sustainable use of forests and the species they encompass;
7. Policies, laws, regulations, and procedures in support of low emission development and forest conservation and management increased, promulgated, and enforced at all levels; and
8. Models for successful integration of district, provincial, and national low emissions development and forest conservation strategies developed and shared at all levels of government and with other key stakeholders

PROGRESS THIS QUARTER

This quarter marked the first period of full-scale LESTARI implementation. With key staff mobilized during the start-up period, the LESTARI team was able to launch a range of technical and operational activities in line with the approved First Annual Work Plan and aimed at building strong buy-in and enthusiasm among partners across our landscapes, at the provincial level in Aceh, Central Kalimantan, and Papua as well as at the national level in Jakarta.

Much of the initial focus was on finalizing key early deliverables, including the Landscape Baseline Analysis Plan, First Annual Work Plan, and Activity Monitoring and Evaluation Plan (still under review by USAID). These documents will be utilized for guiding, measuring, and supporting LESTARI activities throughout the life of the project.

Subsequently, foundational activities during the first quarter focused on coordination with a broad range of stakeholders to explain the LESTARI project in terms of its goals and targets, approach, structure, and to introduce the geographic focus of the landscape. These introductory meetings, including staff boot camps, coordination meetings with LESTARI subcontractors and government counterparts, and USAID-led events, have been essential for developing a strong and committed partnership for the implementation of the project over the next 5 years.

Notably, forest and land fire that spread throughout several LESTARI landscapes disrupted a number of planned activities. As fires have become an annual event caused by irresponsible land management, usually to clear land for plantation development, the implementation of LESTARI activities moving forward will ensure that a potentially prolonged and intense fire season is factored into the timeline for the implementation of activities. The 2015 fires in Central Kalimantan, as well as in many other parts of Indonesia, were exacerbated by the extreme El Niño conditions that caused a prolonged dry season. The LESTARI team adapted to the situation and focused on convening stakeholders to address the fire issue. Future work planning will hence emphasize the need to employ adaptive management principles to tackle such challenges.

During the height of the fires, LESTARI coordinated meetings, workshops, and a series of other informal discussions with peatland management experts, the regional disaster management body (BPBD), local governments, NGOs, and the media to formulate a policy paper. The paper lays out four main categories and priorities of action, including 1) inputs for policy change for peatland management (such as the revocation of small-holder's rights to

use fire to clear land on peatlands), 2) fire control and prevention – development of the capacity to deal with fire, 3) restoration of peat hydrology – such as canal blocking, and 4) disaster response to smoke and haze victims.

Moreover, LESTARI began important work to incorporate SEA and related environmental planning in Central Kalimantan, where forest and land fires far exceeded anywhere else in LESTARI landscapes. Working with the Central Kalimantan BAPPEDA, LESTARI is supporting a SEA that has a strong sense of local ownership and responsibility, which will serve as key input into the province's Medium-term Development Plan (RPJMD). BAPPEDA's insistence that the RPJMD be spatially-oriented embraces development planning that will better conform to the need for improved fire and land management and will be better aligned with the LESTARI goals of biodiversity conservation and reduced GHG emissions.

To support the Co-Management Strategic Approach, the LESTARI team conducted village and commodity assessments in the Leuser and Katingan-Kahayan Landscapes. This work aims to develop an integrated program based on sustainability awareness, livelihood development, and conservation. In the Leuser Landscape, the team has taken a sub-watershed approach in identifying 30 critical villages in upstream and downstream areas where the approach can be implemented. Similarly, in the Katingan-Kahayan Landscape, 25 priority villages have been selected for co-management initiatives. Some potential commodities have also been identified, including freshwater fish, water chestnut, and cajuput, among others.

In Aceh, the LESTARI team has also made progress on the Protected Area Management Strategic Approach. SMART patrols have been implemented in 8 resort areas of Leuser National Park in order to identify and mitigate logging, land clearing, poaching, and other illegal activities. A Wildlife Response Unit (WRU) has been operationalized in order to collect information on human-wildlife conflict and raise awareness among local communities regarding its prevention. Crucial information has been gathered related to traffickers, collectors, and buyers of wildlife. Together, these strategies aim to enhance on-the-ground capacity and optimize the use of resources to address the most pressing threats. Such efforts will ultimately protect this important ecosystem and the forest and biodiversity resources that it harbors.

In Papua Landscapes, first quarter activities primarily focused on socialization of LESTARI with local communities, revitalization of MSFs, and building capacity for improved conservation area management. To support the application of the Management Effectiveness Tracking Tool (METT), LESTARI, in collaboration with BBKSDA-Papua, implemented a training workshop for 24 participants from Papua National Parks and Nature Conservation Authority. METT is a widely utilized rapid assessment protocol, as well as a key LESTARI tool, used to measure, report, and improve the effectiveness of protected area management.

At the national level, the LESTARI team has worked with the Ministry of Environment and Forestry (KHLK) to support its social forestry initiative, which targets an allocation of 12.7 million hectares for community-based forest management. This represents an important opportunity to align interests with GOI and create linkages from the national-level to LESTARI's landscapes. Hence LESTARI has started and will continue to support the development of co-management agreements in the areas adjacent to conservation and critical areas using social forestry initiatives through Village Forest, Community Forestry, Community Plantation Forest, and Customary Forest.

The LESTARI team has also actively participated in meetings organized by the national METT working group of DG KSDAE to carry out METT assessments on 260 conservation

areas in Indonesia. The national METT working group has completed the assessment for most conservation areas and the results have been formalized through the issuance of a decree from DG KSDAE. LESTARI will use the results of this assessment as a baseline score for improving conservation area management in LESTARI landscapes.

To support the leveraging of innovative financing sources to meet LESTARI's objectives, during this first quarter, 5 project proposals were submitted for potential funding from the Indonesia Climate Change Trust Fund (ICCTF). The maximum funding for each project is IDR 3,500,000,000.

This quarterly report includes a Bahasa Indonesia translation of the Executive Summary and presents a summary of progress, challenges/opportunities, and priorities for the 3 LESTARI technical themes; 6 LESTARI landscapes; Project Coordination, Management, and Communications; Monitoring and Evaluation; and Grants Fund. Appendices at the end of the report include a first quarter progress matrix, LESTARI Results Framework, and an updated LESTARI staffing plan.

PRIORITIES FOR NEXT QUARTER

- Central Kalimantan USG launching events with U.S. Ambassador, U.S. Department of the Interior (DOI), and the United States Forest Service (USFS).
- Papua launching event with U.S. Ambassador.
- Aceh launching event.
- Ministry of Environment & Forestry DG KSDAE launch event with relevant National Park and BKSDA heads.
- LESTARI Boot Camp in Papua.
- Finalize Activity Monitoring and Evaluation Plan (AMEP).
- Kick-off STI sustainable tourism work in Jakarta as well as Aceh and/or Central Kalimantan.
- Kick-off university partnership work in Central Kalimantan with MSU.
- Sustainable Livelihoods Assessment & Action Plan for LEDS-based community conservation work in Aceh and Central Kalimantan.
- Commencement of orangutan conservation grant in Aceh.
- LESTARI Grant RFAs for Central Kalimantan orangutan conservation and LEDS-based livelihoods development and conservation.
- Preparations to mitigate impacts in the next fire season, including eco-hydro management, appropriate spatial planning zonation, and advocacy and awareness strategy launching.



Figure 1 LESTARI Landscapes Map

RINGKASAN EKSEKUTIF

Laporan Kemajuan Triwulanan ini merangkum kegiatan dan pencapaian proyek USAID LESTARI selama tiga bulan pertama pada Tahun 1, dari tanggal 1 Oktober sampai 31 Desember 2015.

Proyek LESTARI dari USAID mendukung upaya Pemerintah Indonesia mengurangi emisi gas rumah kaca (GRK), melindungi keanekaragaman hayati di ekosistem hutan dan hutan mangrove yang signifikan secara biologis serta kaya akan simpanan karbon. Dibangun di atas fondasi yang kuat dari proyek IFACS dari USAID, LESTARI menerapkan pendekatan lanskap guna menurunkan emisi GRK, mengintegrasikan aksi konservasi hutan dan lahan gambut dengan Strategi Pembangunan Rendah Emisi (SPRE) di lahan lain, yang sudah terdegradasi. Hal ini dicapai melalui perbaikan tata guna lahan, perbaikan manajemen kawasan lindung, perlindungan spesies penting, penerapan praktik-praktik yang berkelanjutan oleh industri dan sektor swasta, serta memperluas dukungan terhadap upaya konservasi dari seluruh pemangku kepentingan.

Proyek LESTARI diimplementasikan oleh Tetra Tech bersama konsorsium kemitraan yang terdiri dari WWF-Indonesia, Winrock International, Wildlife Conservation Society (WCS), Blue Forests, Yayasan Sahabat Cipta, PT Hydro South Pole Carbon, Sustainable Travel International (STI), Michigan State University, dan FIELD Foundation. Proyek LESTARI berlangsung dari bulan Agustus 2015 hingga Juli 2020.

Kegiatan-kegiatan LESTARI dilaksanakan di enam lanskap strategis di tiga pulau terbesar di Indonesia, yang memiliki hutan primer yang mayoritas masih utuh dan cadangan karbon terbesar. Lanskap Leuser di Sumatera bagian utara, mencakup sebagian besar wilayah kabupaten Aceh Selatan, Gayo Lues, Aceh Tenggara, Aceh Barat Daya, sebagian Taman Nasional Leuser yang masuk wilayah Aceh dan Suaka Margasatwa Rawa Singkil. Di Kalimantan Tengah, LESTARI bekerja di Lanskap Katingan-Kahayan, yang mencakup wilayah Kabupaten Pulang Pisau, Katingan, Gunung Mas, Kota Palangkaraya, Taman Nasional Sebangau dan Taman Nasional Bukit Baka Bukit Raya. LESTARI juga bekerja di empat lanskap di Papua. Lanskap Sarmi dan Lanskap Cyclops terletak sepanjang pesisir pantai bagian utara yang mencakup Kabupaten Sarmi serta kabupaten dan kota Jayapura. Lanskap Lorentz Lowlands mencakup wilayah Kabupaten Mimika dan Asmat, sebagian besar wilayah Taman Nasional Lorentz serta Lanskap Mappi-Bouven Digoel yang terletak di sepanjang pesisir selatan Papua. Kantor pusat LESTARI berada di Jakarta, dengan kantor perwakilan di masing-masing lanskap serta di ibukota-ibukota provinsi Aceh, Kalimantan Tengah, dan Papua.

Target Keseluruhan dari Proyek LESTARI adalah:

1. Penurunan setidaknya 41% dari total emisi CO₂ ekuivalen dari kegiatan pemanfaatan lahan, alih guna lahan, serta deforestasi di seluruh wilayah proyek;
2. Perbaikan pengelolaan setidaknya 8,42 juta hektar hutan primer dan sekunder (serta lahan gambut), termasuk wilayah yang menjadi habitat orangutan;
3. Perbaikan tata kelola setidaknya enam wilayah konservasi, yang menjadi lokasi perlindungan habitat penting seperti orangutan dan spesies penting lainnya; serta berkurangnya perburuan liar atas spesies satwa endemis dan satwa yang terancam punah;

4. Terwujudnya setidaknya sepuluh Kemitraan Pemerintah-Swasta (KPS) yang mempromosikan pembangunan rendah emisi dan berorientasi konservasi;
5. Tergalangnya dana dari pemerintah dan swasta, dalam bentuk investasi bersama yang Mendukung Keberhasilan Proyek;
6. Meningkatnya komitmen terhadap manfaat positif konservasi, pemanfaatan hutan secara berkelanjutan serta perlindungan spesies yang hidup di dalamnya dari para pemangku kepentingan di sektor swasta, pemerintah dan masyarakat;
7. Kebijakan, undang-undang, peraturan, dan prosedur yang mendukung pembangunan rendah emisi, konservasi dan tata guna hutan bertambah, disahkan, dan diterapkan di semua jenjang; dan
8. Terwujudnya model pengintegrasian Strategi Pembangunan Rendah Emisi (SPRE) dan konservasi hutan di level kabupaten, provinsi dan secara nasional yang terdistribusi ke semua level pemerintahan dan stakeholder penting lainnya

KEMAJUAN DI TRIWULAN INI

Triwulan ini menandai periode pertama implementasi proyek LESTARI dalam skala penuh. Melalui mobilisasi staf kunci selama periode ini, tim LESTARI mampu melaksanakan serangkaian kegiatan teknis dan operasional yang sejalan dengan Rencana Kerja Tahunan Pertama yang telah disetujui. Kegiatan-kegiatan tersebut ditujukan untuk membangun semangat dan penerimaan yang kuat di antara mitra-mitra LESTARI di seluruh lanskap kami, baik di tingkat provinsi di Aceh, Kalimantan Tengah, dan Papua, maupun di tingkat nasional di Jakarta.

Sebagian besar fokus awal kami adalah melakukan finalisasi capaian-capaian kunci termasuk Rencana Analisis Data Dasar Lanskap, Rencana Kerja Tahun Pertama, dan Rencana Pengawasan dan Evaluasi Kegiatan (masih dikaji oleh USAID). Dokumen-dokumen ini akan digunakan untuk mengarahkan, mengukur, dan mendukung kegiatan-kegiatan LESTARI selama masa berlangsungnya proyek.

Selanjutnya, kegiatan-kegiatan dasar yang dilakukan selama triwulan pertama berfokus pada koordinasi dengan para pemangku kepentingan guna memberikan penjelasan mengenai proyek LESTARI, tujuan, target, pendekatan, struktur dan fokus geografis dari lanskap yang bersangkutan. Pertemuan-pertemuan pengenalan ini – termasuk temu rembug bagi staf, rapat koordinasi dengan para sub-kontraktor LESTARI dan mitra di lembaga pemerintah, serta acara-acara yang diadakan oleh USAID – sangat penting untuk membangun kerja sama dan komitmen yang kuat bagi pelaksanaan proyek LESTARI selama lima tahun ke depan.

Hal yang patut dicatat, kebakaran hutan yang terjadi di beberapa lanskap LESTARI mengganggu pelaksanaan sejumlah kegiatan yang telah direncanakan. Kebakaran telah menjadi peristiwa tahunan disebabkan oleh pengelolaan lahan yang tidak bertanggung jawab dan dipicu oleh pembukaan lahan untuk memperluas perkebunan. Pelaksanaan kegiatan LESTARI ke depannya akan memerhitungkan musim kebakaran selanjutnya yang berpotensi membesar dan berkepanjangan. Kebakaran pada tahun 2015 di Kalimantan Tengah dan di banyak daerah lain di Indonesia diperparah dengan kondisi ekstrim El Niño yang menyebabkan musim kemarau berkepanjangan. Tim LESTARI akan beradaptasi

dengan kondisi ini dan fokus mengumpulkan para pemangku kepentingan guna mengatasi masalah kebakaran ini. LESTARI akan menerapkan prinsip-prinsip manajemen adaptif pada masa datang untuk mengatasi tantangan-tantangan tersebut.

Saat puncak musim kebakaran, LESTARI mengadakan pertemuan, seminar, dan serangkaian diskusi informal dengan para ahli pengelolaan lahan gambut, Badan Penanggulangan Bencana Daerah (BPBD), pemerintah daerah, LSM, dan media guna merumuskan rancangan kebijakan (*policy paper*). Rancangan kebijakan tersebut menjabarkan empat kategori utama dan prioritas aksi, yaitu 1) memberikan masukan bagi perubahan kebijakan pengelolaan lahan gambut (seperti dicabutnya hak para pemilik lahan kecil untuk membakar lahan gambut dalam membuka lahan), 2) melakukan pencegahan dan pengendalian kebakaran – melalui peningkatan kapasitas untuk mengatasi kebakaran, 3) pemulihan hidrologi lahan gambut—seperti penutupan kanal dan 4) aksi tanggap bencana bagi korban asap.

Lebih lanjut, LESTARI berupaya memulai pekerjaan penting yaitu memasukkan Kajian Lingkungan Hidup Strategis (KLHS) dan perencanaan lingkungan lain di Kalimantan Tengah, lokasi terjadinya kebakaran lahan dan hutan terparah di antara semua lanskap LESTARI. Bekerja sama dengan Badan Perencanaan Pembangunan Daerah (BAPPEDA) Kalimantan Tengah, LESTARI mendukung KLHS yang memiliki rasa tanggung jawab dan kedaerahan yang kuat, yang akan menjadi masukan utama bagi Rencana Pembangunan Jangka Menengah Daerah. Tekad BAPPEDA untuk menyusun RPJMD yang berorientasi tata ruang ini mendukung perencanaan pembangunan yang sesuai dengan kebutuhan penanggulangan kebakaran lahan dan hutan. Tekad tersebut juga sesuai dengan tujuan LESTARI melakukan konservasi keanekaragaman hayati dan mengurangi emisi Gas Rumah Kaca.

Guna mendukung Pendekatan Strategis Manajemen Kolaboratif, tim LESTARI melakukan penilaian terhadap desa-desa dan komoditas terkait di Lanskap Leuser dan Lanskap Katingan-Kahayan. Penilaian ini bertujuan untuk menciptakan program yang mampu menggabungkan prinsip berkelanjutan, konservasi dan penciptaan lapangan kerja. Di Lanskap Leuser, tim LESTARI menerapkan pendekatan sub-DAS untuk mengidentifikasi 30 desa kritis di wilayah hulu maupun hilir di mana pendekatan ini dapat diterapkan. Demikian pula di Lanskap Katingan-Kahayan. LESTARI telah memilih 25 desa prioritas untuk inisiatif manajemen kolaboratif. Tim LESTARI juga telah memilih beberapa komoditas potensial, termasuk diantaranya ikan air tawar, *water chestnut*, dan kayu putih.

Di Aceh, tim LESTARI juga telah mencapai kemajuan dalam Pendekatan Strategis Manajemen Kawasan Lindung. Tim patroli SMART telah diterjunkan di 8 kawasan resor Taman Nasional Leuser guna melacak dan menangani masalah pembalakan, pembukaan lahan, perburuan liar, dan kegiatan-kegiatan ilegal lainnya. Satu Wildlife Response Unit (WRU) telah dioperasionalkan guna mengumpulkan informasi terkait konflik antara manusia dan satwa liar serta meningkatkan kesadaran masyarakat guna mencegah terjadinya konflik tersebut. Informasi penting terkait para pelaku perdagangan, kolektor, dan pembeli satwa liar telah dikumpulkan. Secara bersama-sama, strategi ini berupaya meningkatkan kapasitas di lapangan dan mengoptimalkan sumber daya untuk menghadapi ancaman yang paling mendesak. Upaya-upaya tersebut pada akhirnya akan melindungi ekosistem penting ini beserta hutan dan sumber daya keanekaragaman hayati yang dikandungnya.

Di lanskap-lanskap Papua, kegiatan-kegiatan triwulan pertama berfokus pada sosialisasi LESTARI ke masyarakat setempat, revitalisasi MSF, dan membangun kapasitas untuk manajemen kawasan konservasi yang lebih baik. Untuk mendorong diterapkannya Management Effectiveness Tracking Tool (METT), LESTARI – bekerja sama dengan BBKSDA-Papua – telah menyelenggarakan pelatihan dihadiri 24 peserta dari taman

nasional dan Balai Konservasi Sumber Daya Alam. METT adalah suatu protokol penilaian cepat yang digunakan secara luas, sekaligus menjadi alat penting bagi LESTARI, guna mengukur, melaporkan, dan meningkatkan efektivitas manajemen kawasan lindung.

Di tingkat nasional, tim LESTARI bekerja sama dengan Kementerian Lingkungan Hidup dan Kehutanan (KLHK) untuk mendukung prakarsa perhutanan sosial yang mengalokasikan 12,7 hektar kawasan pengelolaan hutan berbasis masyarakat. Ini merupakan peluang penting untuk menyelaraskan program LESTARI dengan program pemerintah Indonesia yang menghubungkan kepentingan nasional ke lanskap LESTARI. Untuk itu LESTARI telah memulai dan akan terus mendukung pengembangan perjanjian manajemen kolaboratif di wilayah-wilayah yang berdekatan dengan kawasan lindung dan wilayah-wilayah kritis menggunakan inisiatif-inisiatif perhutanan sosial melalui Hutan Desa, Hutan Kemasyarakatan, Hutan Tanaman Rakyat, dan Hutan Adat.

Tim LESTARI juga telah berperan aktif dalam pertemuan-pertemuan yang diselenggarakan oleh kelompok kerja METT dari Direktorat Jenderal Konservasi Sumber Daya Alam dan Ekosistem (Ditjen KSDAE) untuk melakukan penilaian METT di 260 kawasan konservasi di Indonesia. Kelompok Kerja METT Nasional ini telah menyelesaikan penilaiannya di sebagian besar kawasan konservasi dan hasilnya akan diresmikan melalui surat keputusan Ditjen KSDAE. LESTARI akan menggunakan hasil-hasil penilaian ini sebagai patokan nilai/skor untuk meningkatkan kualitas tata kelola kawasan konservasi di lanskap-lanskap LESTARI.

Untuk mendukung tersedianya sumber-sumber pembiayaan inovatif guna memenuhi tujuan-tujuan LESTARI, selama triwulan pertama, lima proposal proyek telah diajukan untuk mendapatkan pendanaan dari Dana Perwalian Perubahan Iklim Indonesia (ICCTF). Dana maksimal untuk setiap proyek adalah Rp. 3.500.000.000.

Laporan Triwulan ini menyertakan terjemahan Ringkasan Eksekutif dalam Bahasa Indonesia, rangkuman kemajuan, tantangan/peluang dan prioritas untuk tiga pendekatan teknis LESTARI; informasi terkait 6 lanskap LESTARI; Koordinasi, Manajemen, dan Komunikasi Proyek; Pengawasan dan Evaluasi; serta Dana Hibah. Matriks kemajuan triwulan pertama, Kerangka Hasil LESTARI, dan rancangan organisasi staf LESTARI yang telah diperbaharui bisa ditemukan dalam lampiran di akhir laporan ini.

PRIORITAS UNTUK TRIWULAN SELANJUTNYA

- Acara peluncuran di Kalimantan Tengah yang diselenggarakan oleh Pemerintah Amerika Serikat, yang dihadiri oleh Duta Besar Amerika Serikat, Departemen Dalam Negeri Amerika Serikat (DOI), dan Departemen Kehutanan Amerika Serikat (USFS).
- Acara peluncuran di Papua, dihadiri oleh Duta Besar Amerika Serikat
- Acara peluncuran di Aceh.
- Acara peluncuran oleh Ditjen KSDAE Kementerian Lingkungan Hidup dan Kehutanan dengan kepala BKSDA dan Taman Nasional yang berkaitan.
- *Boot Camp* LESTARI di Papua.
- Finalisasi Rencana Monitoring dan Evaluasi Kegiatan (AMEP).

- Memulai *sustainable tourism work* STI di Jakarta serta Aceh dan/atau Kalimantan Tengah.
- Memulai kemitraan universitas di Kalimantan Tengah dengan MSU.
- Sustainable Livelihoods Assessment & Action Plan untuk konservasi masyarakat berbasis SPER di Aceh dan Kalimantan Tengah.
- Dimulainya pemberian hibah konservasi orangutan di Aceh.
- Undangan Pengajuan Aplikasi Hibah LESTARI untuk konservasi orangutan dan konservasi dan pengembangan penghidupan berbasis SPER di Kalimantan Tengah.
- Persiapan untuk mengatasi dampak musim kebakaran selanjutnya, termasuk tata kelola air yang ramah lingkungan (eko-hidro), zonasi perencanaan tata ruang yang tepat, serta peluncuran strategi peningkatan kesadaran dan advokasi.



Figure 2 Peta Lanskap LESTARI

LESTARI PROGRAM ACTIVITIES

In its first quarter of implementation, LESTARI has made significant progress in planning and executing activities in line with the First Annual Work Plan. While much of the work has been foundational, we have also launched several on the ground activities that will directly contribute to achieving our emissions reduction and biodiversity conservation goals. This section of the QPR provides a brief overview of the tools and approaches implemented under each of the 3 technical themes and 8 strategic approaches. This is followed by a summary of LESTARI's progress, challenges and opportunities, and priorities for next quarter, per strategic approach.

TECHNICAL THEME 1: FOREST & LAND USE GOVERNANCE & ADVOCACY

Overview

Technical Theme 1 focuses on supporting effective forest and land use governance practices while building strong constituencies that can advocate for their communities' rights and interests. LESTARI implements a range of strategic approaches to support this theme and foster a shared vision for sustainable land use. This includes increasing media, government, and local level awareness; operationalizing LCPs and SEAs; and enhancing environmental governance practices at the district level. Our theory of change for this technical theme is that through strengthened governance and advocacy (including inclusive and transparent planning, budgeting and increased funding, natural resource licensing, and monitoring and enforcement), biodiversity will be conserved and emissions ultimately reduced in LESTARI landscapes.

LESTARI 1 – Awareness and Advocacy

Leaders and public alike are becoming more attuned to their natural resource management (NRM) problems given decades of rampant deforestation, the choking haze of land and peat fires across Sumatra and Kalimantan, and unmet promises of improved rural livelihoods. Advocacy is essential to the success of the overall project. It builds on awareness developed through IFACS and integrates activities to ensure all local stakeholders, especially underrepresented and marginalized groups, are equipped to contribute to sustainable land use decisions and policy through informed action. Stakeholders will be engaged through MSF communication and outreach campaigns, which will give them a voice about the efficacy of past tools (such as CCLA, CMMPs and BMPs) and other initiatives that should be implemented in support of conservation and reducing deforestation.

Progress This Quarter

During this first quarter, the LESTARI team has completed important foundational work for building an overall awareness and advocacy strategy that details the target audience, key messages, desired behaviors (call to actions), and appropriate media identification, including relevant journalist networks in every LESTARI landscape. While much of the awareness and advocacy strategy will be rolled out in the next quarter and beyond, the LESTARI team has already completed several important milestones to ensure maximum efficacy in galvanizing stakeholders and building strong constituencies for conservation.

LESTARI social media accounts have been developed through Facebook and Twitter. Separate accounts were created for each landscape so that communities can stay abreast of LESTARI initiatives specific to their landscapes while also having a dedicated platform to voice their concerns. Meanwhile, a national LESTARI Facebook account managed from Jakarta will allow the LESTARI team to capture and amplify these local concerns at the provincial and national levels.

In addition, significant progress has been made in preparing to launch several important advocacy campaigns. This includes: (1) coordinating with Save Our Borneo (SOB), a LESTARI grantee, to produce 5 videos targeting forest and peat land fire prevention in all landscapes; (2) developing campaign materials with WCS that target poaching prevention and biodiversity conservation in Aceh; and (3) providing inputs for the finalization of Peat Land and Forest Fire prevention SOP in Pulang Pisau, Central Kalimantan.

Finally, to support the formation of community-civil society champions, 4 campaigns have been launched at the landscape level in Leuser, Katingan-Kahayan, Lorentz, and Cyclops Landscapes. They include the #FireHero campaign in Central Kalimantan, #LeuserPermataDunia campaign in Aceh, and #SahabatCyclops and #SahabatLorentz in Papua. These campaigns cover a range of pressing issues that are geared towards the unique set of challenges for each landscape. They include biodiversity conservation, reducing poaching, co-management, and the effects of environmental destruction. Religious institutions will also be partnered with to promote targeted campaigns in each landscape.

Challenges and Opportunities

- Coordination between the diverse set of stakeholders in every landscape has been a challenge. However, we have developed a broad and in-depth array of communication materials, as well as a robust advocacy and campaign strategy, that will hopefully unite all stakeholders under a common agenda moving forward.
- Increasing local-level awareness of key issues such as: biodiversity conservation, land use, climate change, peatland and forest fire prevention, Integrated Fire Management, collaborative management, land rationalization, mangrove conservation, and reducing greenhouse gases emissions has been an enormous challenge in all landscapes. Hence the LESTARI team has identified the pressing issues relevant to each landscape and developed SOWs to address them using campaign and communications tools.
- Reaching out to a broad range of community groups to ensure equitable participation in LESTARI activities has been a challenge at the landscape level. As a result, the LESTARI team has set up campaigns to increase participation while leveraging social media networks in all landscapes.

Priorities for Next Quarter

- Start social media campaign activities in Aceh, Leuser, and Papua effectively in January 2016.
- Operationalize the thematic campaign in every landscape, starting with the social media campaign and strengthening journalist and citizen journalist networks using activities such as social media training, video screening, media gathering, capacity building, and reporting training.

- Initiate cooperation with LESTARI partners and local stakeholders to support LESTARI advocacy and communications program.
- Support the landscape team with information and data concerning important issues at the national level to support advocacy at the landscape level, including updates on the latest government regulations and policies on peatland management, fire prevention, biodiversity conservation, mangrove conservation, poaching, deforestation, and GHG emissions.
- Strengthen the LESTARI network at the national level by conducting media visits and supporting and participating in events related to issues of strategic importance to LESTARI.
- Hold MSF serial meetings to support LESTARI goals.

LESTARI 2 – Operationalize Strategic Environmental Assessments (SEAs) and Landscape Conservation Plans (LCPs)

The strategic approach to operationalize Strategic Environmental Assessments (SEAs) and Landscape Conservation Plans (LCPs) builds from the tools developed under IFACS. IFACS facilitated preparation of SEA-LEDS with government agencies and LCPs with MSFs in 11 focal districts. SEAs-LEDS assess the environmental impact of policies, plans, and programs, providing alternative development options and impact mitigations to ensure sustainable development. Crucially, they require public consultation to enable transparency and improved governance. LCPs augment SEAs-LEDS by including priority HCV and HCS forest areas in the landscape in a plan for conserving these areas. Together they set the framework for improved forest management.

Major planning instruments (RPJM/P, RTRW, annual APBD, etc.) are supposed to take into account the findings of SEAs that are the responsibility of a government agency, usually BAPPEDA. SEAs are assessment tools, not plans, and therefore not legalized, which would unnecessarily restrict ongoing and iterative revisions when new data and results of partial assessments become available. Nevertheless, LESTARI will rigorously promote their use and verify that the formal planning instruments take the SEA-LEDS recommendations for conservation into account. Of particular concern are the recommendations for changes in the spatial plan that the SEA-LEDS have highlighted in the optimum scenario, and areas of HCV and HCS forest throughout the landscape that are at threat and located in areas designated for development. The urgency for operationalizing SEA-LEDS and LCP was greatest in this quarter where forest and land fires reached unprecedented levels of environmental and economic damage in LESTARI landscapes.

Progress This Quarter

During this quarter, local government interest in incorporating SEA and related environmental planning was highest in Central Kalimantan, where forest and land fires far exceeded anywhere else in LESTARI landscapes. Thus, LESTARI welcomed the opportunity to support an SEA / KLHS for the entire province of Central Kalimantan, thereby increasing project effectiveness beyond the district level.

In November, Pak Herson, Head of the Provincial BAPPEDA, invited LESTARI to support a SEA / KLHS for Central Kalimantan's Medium-term Development Plan (RPJMD) in ways that provide evidence-based arguments for annual development planning and budgeting.

Crucially, this demand-driven SEA has a strong sense of local ownership and responsibility (*swakelola*) while receiving key technical support from LESTARI. BAPPEDA's insistence that the RPJMD be spatially-oriented (*berbasis spasial*) embraces development planning that will better conform to the need for improved fire and land management and will be better aligned with the LESTARI goals of biodiversity conservation and reduced GHG emissions.

Moreover, LESTARI STTA has completed an assessment on the status and future utility of RTRW and KLHS / SEA in LESTARI landscapes, including opportunities for effective LESTARI action to strengthen spatial planning and its relevance to specific interventions across and within the landscapes, e.g., during the five year review period of RTRW, the establishment of *Peraturan Zonasi* (some related to *Kawasan Strategis* of the RTRW), and mobilization of cluster of villages / local communities, all being guided by SEA and LCP.

Challenges and Opportunities

- As recognized by Pak Herson, ensuring that the KLHS has genuine utility rather than being just an administrative exercise will be a challenge. KLHS technical support embedded in BAPPEDA has, however, a better chance of influencing the RPJMD preparation process than conventional KLHS that are outsourced to consultant institutions.
- It is likely that the Governor will message all the Bupati's about the KLHS during their mid-January meeting, securing district buy-in.
- Broad-based support for a more spatially-oriented RPJMD is more likely because of the clear impacts of environmentally irresponsible fire-setting this past El Nino season.

Priorities for Next Quarter

- Governor's Decree to enable the KLHS and its implementation.
- KLHS for Central Kalimantan well-advanced and influencing RPJMD.

LESTARI 3 – Environmental Governance

Land use planning and licensing of natural resource use is the single largest contributor to GHG emissions in the LESTARI landscapes. Environmental governance is a principle strategic approach that contributes to improved planning, permitting, and enforcement of natural resource use within landscapes. It is an interconnected approach that combines introducing citizen-based mechanisms for input on land use, ranging from Multi-Stakeholder Forums (MSFs) and policy dialogue instruments together with increasing district and provincial government willingness to adopt such input, with improved mechanisms for licensing, monitoring, and enforcing the sustainable use of natural resources. This strategic approach includes the adoption of SEA-LEDS and LCP recommendations in formal government development planning as well as enhanced awareness and advocacy among key stakeholders.

Progress This Quarter

During this quarter, much of LESTARI's Environmental Governance work involved enhancing the capacity for Integrated Fire Management (IFM). LESTARI is focusing this work on the 440,000 ha Block C of the Ex-Mega Rice Project in Central Kalimantan, part of the Katingan-Kahayan Landscape. This area was 47% burned during the August-October fires. LESTARI has met several times with the Bupati and secured his commitment and

support for fire prevention in the future, preparing an Action Plan for a “grand design” that synchronizes cross-sectoral efforts horizontally and vertically to provincial and national levels while mobilizing resources available for fire suppression. The vision for overhauling land use and designing spatial planning land use zones for Block C through the adoption of eco-hydro principles has been introduced and welcomed. The Bupati rightly affirmed that this would require not only local but also provincial, national, and international commitments and timely support. The Integrated Fire Management experts of the LESTARI team are currently drafting the IFM plan for a 36,000 ha sub-landscape covering state forest and adjacent private land within Block C roughly corresponding to the Kecamatan of Kahayan Hilir (Buntoi, Kalawa, Mentaren I, and Gohong cluster of villages as a spatial planning unit or *Kawasan Pedesaan* areas). Briefing memos were prepared as “living documents” to track the status of national and LESTARI forest and land fire issues.

Sub-landscapes were identified to realize increased project efficiencies and synergies while providing replicable land management units for scaling up, notably in the Districts of Pulang Pisau (Katingan-Kahayan Landscape), Aceh Tenggara and Aceh Selatan (Leuser Landscape).

Guidelines were provided to all MSF revitalizers for more effective MSF operation and institutionalization.

An investment and sustainability tool is under development as well. This tool will allow LESTARI to work with district and provincial governments to assess existing systems for land use management and integrate conservation and sustainability into the licensing and permitting process. The first quarter has been used to identify basic procedures, related stakeholders, and relevant licensing and permitting requirements. As a similar tool known as SIMTARU was identified under the PROTARIH project, a series of meetings with PROTARIH-SIMTARU project staff were conducted. The goals are to integrate, improve, and expand the work that has been accomplished under PROTARIH. It is currently envisioned that the tool could leverage the SIMTARU database to support SEA-LEDs development.

Challenges and Opportunities

- Achieving genuine and necessary vertical integration of IFM interventions from the national to the village level presents an enormous challenge. The severity of the 2015 forest and land fires has, however, provided much needed political focus on the challenge.
- Transforming the MSF from being less a project management unit to more an inter-stakeholder consultative forum will be challenging yet better aligned with the more open government of today’s Indonesia.
- UKCCU / DFID’s Papua project has asked LESTARI to take on relevant successful initiatives, notably, the Spatial Planning Information System (Sistem Informasi Tata Ruang) at the provincial level. This should enhance LESTARI efforts to better integrate provincial and district spatial planning affecting LESTARI landscapes as well as providing a platform to test LESTARI’s sustainability tool for natural resource licensing.
- The LESTARI team has identified possible collaboration with the PROTARIH program through their SIMTARU project. SIMTARU is a web-based tool that provides information related to GIS-mapping data. Through collaboration with PROTARIH, LESTARI has the opportunity to integrate, improve, and expand on this work.

Priorities for Next Quarter

- MSF revitalization activities with the LESTARI landscapes as engagement tools for refinement and assuring broader-based stakeholder membership.
- MSF identification of policy constraints for citizen-based discourse, notably, uncertainty of tenure among small-scale and large-scale operations as well as undervaluation of renewable resources.
- Preparations to mitigate impacts in the next fire season in Block C, Pulang Pisau District, Central Kalimantan. Additionally, more concrete plans for land use adaptation measures to achieve eco-hydro management that reduces the risk of fire, including appropriate spatial planning zonation. Advocacy will be key to maintain the urgency of the fire issue despite the respite of the rainy season.
- Transparent natural resource licensing databases linked to spatial plans as well as connecting district with provincial information systems, starting in Pulang Pisau, Central Kalimantan and Mimika, Papua.
- Operationalizing close integration of governance, conservation, and private sector initiatives within manageable selected sub-landscapes to realize increased project efficiencies and synergies while providing replicable land management units for scaling up across all LESTARI landscapes.
- Exploring the establishment of citizen-based RTRWatch mechanisms to mobilize CSO and public support for alignment of actual land use with spatial plan land use functions and other sustainability principles. An initial meeting was held with the developers of the Jakarta-based smart city application, QLUE. Further collaboration is required to determine how such a platform could be adapted for LESTARI's landscapes and objectives.

TECHNICAL THEME 2: CONSERVATION CO-MANAGEMENT

Overview

LESTARI's success at the landscape level is dependent on effective management of PAs and other critical areas. LESTARI defines the term critical area as an area identified for conservation because of its high conservation value or high carbon value. Both PA and critical area co-management will target the preservation of high-carbon forests as well as habitat for key species such as the orangutan. Our theory of change for this technical theme is that through improved governance, protection and management, innovative finance, expanded and empowered constituencies for conservation, and co-management of adjacent and critical areas, PA management will be improved, emissions reduced, and biodiversity conserved. LESTARI works to support and improve conservation co-management by working at three levels: increasing capacity of the NP staff responsible for their conservation area management with partners WWF and WCS, piloting innovative financing for PAs, and improving co-management adjacent to the PA and in critical areas. As with all of the Technical Themes, this is an integrated approach, particularly to Green Enterprise development and the connection between livelihoods and successful co-management.

LESTARI 4 – Co-Management

LESTARI uses an IUCN definition of the term co-management which includes “a situation in which two or more social actors (parties) negotiate, define and guarantee amongst themselves a fair sharing of the management functions, entitlements, and responsibilities for a given territory, area, or set of natural resources” – in this case for conservation and sustainable NRM utilization.

Progress This Quarter

In this quarter, the LESTARI team has made tangible progress under the Co-Management strategic approach. Village and commodity assessments have been carried out in Leuser and Katingan-Kahayan Landscapes. In the Leuser Landscape, 30 villages in Aceh Selatan, Aceh Tenggara, Gayo Lues, and Aceh Barat Daya have been selected as priority villages for co-management initiatives adjacent to Leuser National Park. Some potential commodities have also been identified, including cacao, medicinal plants, rattan, wild honey, dammar resin, nutmeg, and palm sugar. Similarly, in the Katingan-Kahayan Landscape, 25 priority villages have been selected for co-management initiatives. Some potential commodities have also been identified, including fresh water fish, water chestnut (*Eleocharis dulcis*), and cajuput (*Melaleuca cajuputi*), among others.

In the Lorentz Lowlands Landscape, the LESTARI team has introduced the project in villages inside Lorentz National Park along with participatory mapping and village facilitator training. The activities included the Lorentz National Park staff members and LEMASKO. 7 priority villages have been selected for mapping, along with 36 village facilitators that will lead the mapping process. Individuals with an affinity for the environment and hold respect from the community have been identified as potential LESTARI Champions.

The LESTARI team has worked closely with DG KSDAE to support the establishment of FMU conservation (KPHK) in Cyclops. The team has initiated meetings with KPHK Rawa Singkil to identify LESTARI support for the KPHK, which could include dissemination of METT score and the development of a KPHK management plan.

Finally, LESTARI has been supporting the development of co-management agreements using social forestry initiatives. This work aligns with social forestry targets set by the Ministry of Environment and Forestry and is further detailed in the National Initiatives section of this QPR.

Challenges and Opportunities

- Due to busy schedule of most of government agencies in this quarter, some activities are postponed to the second quarter, such as a coordination meeting with DG KSDAE and its technical implementation units (UPT) in LESTARI landscapes.
- The social forestry initiatives provide ample opportunities for communities to get long term secured access to forest. However, the current unclear mechanisms to obtain the permits under the social forestry scheme could hamper the progress of establishing co-management agreements. Hence, LESTARI will also explore other forms of co-management agreements such as partnership agreements with conservation area managers or private sector entities.
- Tenurial claims among different clans are likely to create friction and potential conflict during the participatory mapping process in the Lorentz Lowlands Landscape. However, these maps could eventually lead to groundbreaking agreements for co-management with the National Park.

Priorities for Next Quarter

- Some activities at the village level will be implemented in Leuser and Katingan-Kahayan Landscapes, which include sustainable livelihood assessment (SLA) and deeper market mapping for potential commodities.
- Two STTAs have been hired to carry out policy analyses and develop policy briefs for co-management conservation and social forestry initiatives.
- The signing of co-management agreement for Cyclops Nature Reserve is expected to take place during the launching of LESTARI in Papua. Activities involving communities in the buffer zone area will also be commenced.
- In the Lorenz Lowlands Landscape, the resilience assessment and development of action plans for mangrove conservation co-management will be carried out.

LESTARI 5 – Protected Area Management

Indonesian PAs typically receive funding (about \$1-2 million/year) from government and have hundreds of staff. Despite this, deforestation and poaching rates are high, and PA management capacity and implementation is poor. Indonesia's iconic wildlife—tigers, rhinos, orangutans in particular—are now restricted to small areas harboring tens to hundreds of individuals, and are highly threatened by local extinction. A significant increase in PA capacity and on-the-ground action is necessary to prevent this scenario.

Progress This Quarter

The LESTARI team has actively participated in meetings organized by the national Management Effectiveness Tracking Tool (METT) working group of DG KSDAE to carry out METT assessments on 260 conservation areas in Indonesia. The national METT working group has completed the assessment for most conservation areas and the results have been formalized through the issuance of a decree from DG KSDAE. LESTARI will use the results of this assessment as an important baseline score for improving conservation area management in LESTARI landscapes.

Conservation Area	METT Score
Gunung Leuser National Park	67%
Sebangau National Park	62%
Lorentz National Park	52%
Cyclops Nature Reserve	43%
Rawa Singkil	55%
Bukit Baka Bukit Raya National Park	64%

To follow up the METT assessment, the LESTARI team in Papua organized a training on METT involving BKSDA Papua on December 2-3, 2015. This included representatives from BKSDA Papua, Lorenz National Park, Wasur National Park, universities, and NGOs. The event was aimed at (1) deepening understanding on METT; (2) disseminating the METT score for Cyclops Nature Reserve, Lorenz National Park, and Wasur National Park to a broad audience; and (3) developing an action plan to improve CA management effectiveness. The outcome of the meeting was an action plan to improve conservation area

management effectiveness, as reflected in an increased METT score. A similar workshop will be organized in Katingan-Kahayan and Leuser Landscapes.

In addition, SMART patrols have been effectively implemented by 4 patrol teams each consisting of 4 persons in the Leuser Landscape (Aceh Selatan, Aceh Tenggara and Gayo Lues District), covering 8 resort areas of Leuser National Park. WCS, in conjunction with Gunung Leuser National Park authorities, developed and launched the SMART patrolling strategy with the aim of optimizing park management resources to target areas under greatest threat from wildlife poaching, logging, and other illegal activities. In this quarter, the patrol teams have found signs of illegal activities such as illegal logging, animal snares (carcasses of bears and elephants), poaching, and land clearing. The teams have also documented some key species during their patrol routines such as tiger footprints, orangutan nests, and rafflesia flowers.

As part of the SMART patrolling strategy, a Wildlife Response Unit (WRU) has been operationalized for the Leuser Landscape. The purpose of the WRU is to collect information on recent human-wildlife conflict and raise awareness regarding its prevention. WCU has gathered information related to wildlife crimes such as traffickers, collectors, and buyers of wildlife (i.e., birds and rhino horns). The team has also identified a hornbill hunter. The WCU team observed legal proceedings against 2 Tiger Skin Traffickers in Kutacane who were arrested by police and officers from Leuser National Park. Both suspects have been sentenced to prison for 5 months and fined IDR 200 million.

The wildlife response unit (WRU) team has also initiated some activities to mitigate human-animal conflicts, particularly in Gayo Lues and Aceh. This includes village patrols and information dissemination on relevant topics. In addition, the team has developed capacity in livestock management using cattle pens, which is considered a crucial strategy to mitigate human-tiger conflict in the area.

Finally, an RFA for an orangutan conservation grant, entitled *Collaborative Habitat Conservation of Sumatran Orangutan (Pongo abelii) in Western Buffer Zone of Gunung Leuser National Park*, was circulated through relevant websites, mass media, and non-governmental organizations. Further details of this grant, including targeted outcomes, can be found in the Grants Fund section of this QPR.

Challenges and Opportunities

- The METT workshop and ongoing national-level policy dialogue is a crucial entry point for LESTARI to ensure the synergy of LESTARI's support with the priority actions identified by conservation area managers in LESTARI landscapes.

Priorities for Next Quarter

- A coordination meeting will be organized in the second quarter involving DG Natural Resources Conservation and Ecosystem Services (Dirjen KSDAE) and the technical implementation offices (Unit Pelayanan Tehnis/UPT) under the DG in LESTARI Landscapes. The LESTARI team in each landscape will be encouraged to carry out follow up meetings with UPTs to develop RPP (*Rencana Pelaksanaan Program/Program Implementation Plan*) and/or RKT (*Rencana Kerja Tahunan/Annual Work Plan*) to ensure a sense of ownership and synergy of LESTARI's support to improve conservation area management effectiveness.
- METT workshops will be held in Katingan Kahayan Landscape and Leuser Landscape. In Katingan-Kahayan Landscape, the meeting will involve Bukit Baka Bukit Raya National Park, Sebangau National Park and KSDA of Central Kalimantan.

In Leuser Landscape, the workshop will involve KPHK Rawa Singkil, BKSDA Aceh, and Leuser National Park.

- Routine SMART patrols will continue to be carried out in sites adjacent to Leuser National Park while an additional team will start patrols in KPHK Rawa Singkil. In addition, the WRU team will continue its efforts to reduce wildlife crimes and human-wildlife conflicts.
- For the Katingan-Kahayan Landscape, the LESTARI team will be closely engaged in the finalization of the zonation plan for Sebangau National Park.

TECHNICAL THEME 3: PRIVATE SECTOR ENGAGEMENT

Overview

As with all other Technical Themes, Private Sector Engagement takes an integrated approach to the development of livelihoods, responsibilities of environmental governance, and shared roles in co-management of natural resources. This theme is executed by supporting green enterprise development, BMP adoption, and innovative financing. Through establishing public-private partnerships for green enterprises, LESTARI supports alternative livelihoods while reducing pressure on forest resources. LESTARI also engages with timber concessions, palm oil plantations, and other private sector actors operating in its landscapes to apply BMPs focused on improving efficiency and acquiring sustainability certification. This work also focuses on operationalizing CMMPs developed under IFACS. Thirdly, our work innovative financing approach entails finding new financing schemes and sources. Our theory of change for Technical Theme 3 is that if private sector entities develop PPPs for green enterprises, adopt best management practices for sustainability, and create additional sustainable financing access, then emissions will be reduced and biodiversity conserved.

LESTARI 6 – Green Enterprises

Increasingly, smallholders are expanding their influence and impact on forest resources in Indonesia. 40% of the current planted oil palm is smallholder owned and operated and planted often in areas not designated for conversion. Other commodities in the LESTARI landscape, such as cacao also assert pressure on conservation areas. However, pressure for land can be reduced through improving community livelihoods, developing Green Enterprises through public-private partnerships (PPPs), and coupled with commitments to safeguards for forest resources (such as through co-management) and improved environmental governance.

Progress This Quarter

During this first quarter, significant progress was made in exploring avenues for alternative livelihood development. An assessment of local commodities and conservation villages has been conducted in the Leuser Landscape. The identified villages are located in clusters that share key biogeographic features, such as a single watershed, in order to scale up LESTARI's impact. This assessment resulted in the identification of some potential local commodities to be developed such as cacao, medicinal plants, rattan, wild honey, dammar resin, and palm sugar. The development of the local commodities are possible under PPP or green enterprise schemes. The LESTARI team has identified early interest from a prominent Indonesian artisanal food producer, Javara Indonesia (<http://www.javara.co.id/>), to partner and collaborate with LESTARI in this endeavor.

A similar assessment was also conducted in the Katingan-Kahayan Landscape that resulted in target villages for conservation and green enterprises. Identified local commodities that can contribute to green enterprise development include fresh-water fisheries, community rubber, and rattan. These villages are clustered around Block C of the Ex-Mega Rice Project in Pulang Pisau and around the Katingan River in Katingan District. With the focus on Integrated Fire Management and peatland restoration in Central Kalimantan, the development of green enterprises are expected to be one of the key strategies to prevent forest and peat fires in the future, while at the same time improving community livelihoods within this critical area.

To efficiently monitor and assess PPP, it is important to have information on the location and area of different concessions (and other units of land) that are engaged in some form of licensing or permitting. This will be important for future monitoring and for assessing how the PPP integrates with broader landscape objectives. Current efforts are underway to collect this spatial information for all landscapes (in a GIS format).

Lastly, an evaluation of the current condition of the community rubber plantation program developed under IFACS is currently being conducted for the Katingan-Kahayan Landscape. The evaluation seeks to assess the impacts from the recent fires and determine whether the program is an effective method for combatting forest and peat fires for the surrounding communities. The result of the assessment is expected in mid-January 2016 and will serve as a significant base for LESTARI's strategic approach in the area.

Challenges and Opportunities

- Potential local commodities can be located and planted within/close to conflict areas (tenure issue) or conservation areas. Hence commodity development should be integrated with the conservation villages initiative to ensure that the all issues are properly addressed.
- The community rubber plantation in Pulang Pisau has experienced serious damage due to the fire that occurred in the past few months. However, information was received from the communities that in the past, the KUBK (community rubber farmer groups) was an effective measure to prevent fire. These groups have been inactive due to a lack of support from the village head. It is both a challenge and opportunity for LESTARI to work together with the local partners and communities to revive and revitalize these groups.
- Based on the assessment result, most of the identified local commodity products are only available in limited and inconsistent volumes, which is not attractive for private sector buyers. Diversification of products could be crucial to support sustainable trading.

Priorities for Next Quarter

- The development of identified potential commodities in Aceh. This includes the identification of private sector entities (buyers) and potential partners for trainings and workshops.
- The development of potential local green enterprises in several villages in Central Kalimantan, especially involving rubber, rattan, and freshwater fisheries. The LESTARI team will follow up with several private sector entities for potential PPP development involving the surrounding communities.

- Market Value Chain mapping will take place in Aceh. The activity aims to map and identify the market value chain, potential private sector entities, barriers to access, and gaps in the development of local commodities.
- STTA for strengthening the potential market for local commodities in Aceh and Central Kalimantan. The STTA will work with the LESTARI landscape team in Aceh and Central Kalimantan for the next 3 months.

LESTARI 7 – Private Sector Best Management Practices (BMPs)

There are numerous private sector companies in LESTARI landscapes, ranging from large, multi-national, publicly traded Tropical Forest Alliance (TFA) members to smaller Indonesian privately held firms. Firms include forestry concessions, oil palm and fiber plantations, mining and agroforestry/ commodity producers, and their buyers. They drive local economies but also, to large extent, deforestation and emissions. LESTARI must harness their resources and influence, gaining their commitment to LEDS and biodiversity conservation, to meet project objectives.

As part of this strategic approach, LESTARI is developing the Sustainability Reporting Toolkit that will expand the applicability of the existing Agricultural Sustainability Screening Protocol and Sustainability Roadmap developed under the USAID CIRCLE project. This will allow the private sector to identify key steps to increase its sustainability performance and transparently monitor and demonstrate the impact of its commodity production on emissions. This will be integrated with the Environmental Assessment and Monitoring Tool in an attempt to make a system that is consistent with equitable and publically-informed licensing and permitting. Subsequently, LESTARI will expand on its work under IFACS to promote BMPs and certification (FSC, RSPO, ISPO, Gold Standard, etc.) for natural forest concessions and fiber and oil palm plantations leading to HCV forest set-asides, as well as for value chains critical to improved livelihoods such as rubber, cocoa, nutmeg, and NTFPs.

Progress This Quarter

During this quarter, the LESTARI team conducted several important, foundational discussions with major private sector associations operating in LESTARI landscapes.

A meeting with APHI (timber association) was conducted in November 2015. The LESTARI team received a very positive response from timber concessions operating in Katingan-Kahayan and Papua landscapes. Currently more than a dozen timber companies have confirmed that they are willing to collaborate with LESTARI on BMP adoption. Several of these companies are also interested in leveraging funding for PPP schemes.

Another positive response was also received from GAPKINDO. After following up with GAPKINDO in Central Kalimantan, a meeting will be held with all major stakeholders in the rubber industry to discuss the potential collaboration in more detail. Notably, the rubber industry in Indonesia is characterized by small, community-based rubber plantations mostly located within the Katingan-Kahayan Landscape. Papua and Aceh do not have rubber plantations.

A meeting with GAPKI (oil palm association) was conducted in December 2015. Positive responses have been received from some companies. The LESTARI team is currently pursuing one-on-one meetings with several oil palm companies to identify potential avenues for collaboration.

Challenges and Opportunities

- Several concession areas (timber, oil palm and mining) are overlapping according to the map received from Dinas Perkebunan (Plantation Office). This issue needs to be addressed with the local/provincial governments involved with spatial planning.
- Hot spots have been found within some of the concessions (mostly oil palm) in Central Kalimantan. This is an opportunity to actively engage with these private sector entities to participate in LESTARI's IFM program.
- Important wildlife species, especially orangutan, are under threat from poaching and habitat destruction within oil palm concessions in the Katingan-Kahayan Landscape. This presents an entry point to collaborate with both oil palm concession owners and local conservation programs from national parks.
- Most oil palm concessions within LESTARI landscapes are not RSPO members although some are ISPO members. Many company standards with regards to sustainable practices are minimal to non-existent. Many companies are also suspicious of external initiatives and fearful of costs associated with complying with certification schemes. These are major challenges, but they also present a tremendous opportunity for LESTARI to support progress in private sector sustainability performance.

Priorities for Next Quarter

- Preparation of mutual agreements with private sector entities and identification of the details of BMP program implementation. Several oil palm companies in Central Kalimantan and Papua will be followed up with for a more detailed discussion.
- Explore PPPs and other avenues of collaboration with mining companies. Early meetings with the Ministry of Energy and Mineral Resources indicated support for the LESTARI program. Another meeting is scheduled in early January 2016 with the Directorate General of Mineral and Coal (Minerba) to further clarify areas of collaboration with LESTARI.

LESTARI 8 – PES and REDD+ Innovative Finance

With the creation of Indonesia Climate Change Trust Fund (ICCTF), Global Environment Fund, and the Green Climate Fund, there is increased opportunity for districts to access funds to reduce emissions from deforestation and degradation. This is linked in part to the Strategic Action Plan for REDD+ (SRAP) at the provincial level. All of the provinces in which LESTARI landscapes exist have completed SRAPs and are in the process of completing the other requirements.

An important and more omnipresent source of funding is from government budgets. The Innovative Financing strategic approach works closely with the Forest and Land Use Governance and Advocacy Technical Theme to access GOI budget for green enterprises and activities that support the GOI commitment for reduced emissions by 2020.

Progress This Quarter

During this first quarter, 5 project proposals were submitted for potential funding from the Indonesia Climate Change Trust Fund (ICCTF). The maximum funding of each project is IDR 3,500,000,000. The list of the projects is provided in the following table:

Project Name	Proponent	Location
Development of a Community-Based Conservation Area in Critical Watershed in Gayo Lues District.	Forum Aih Jamur Delem (FAJEM)	Gayo Lues, Aceh
Management of Trumon Wildlife Corridor to reduce deforestation through collaborative management and community development	Forum Komunikasi Pekerja Sosial Masyarakat (FKPSM)	South Aceh, Aceh
Strengthening conservation management of Village Forests for reducing emissions in Pulang Pisau District	Kelompok Kerja Sistem Hutan Kerakyatan (POKKER SHK)	Pulang Pisau, Central Kalimantan
Increased Protection of Gunung Palung National Park (GPNP) through Buffer-Zone Village Development	Yayasan Asri	Ketapang, West Kalimantan
Strengthening the management of a protected Mangrove ecosystem in Mimika District, Papua	Lembaga Musyawarah Adat Suku Kamoro (LEMASKO)	Mimika, Papua

The ICCTF board will contact project proponents of shortlisted proposals by January 29, 2016 in order to set up an interview with the selection panel.

PT. Hydro provides LESTARI with national-level climate finance expertise while leading support to provincial and district governments on REDD+-related activities. This quarter, PT. Hydro completed a First Progress Report that analyzes the current financial architecture for PES and REDD+ in Indonesia by identifying existing and potential funding sources for sustainable rural landscapes, and then classifying them according to the entity that operates the funds. Funds are classified into three main groups: nationally operated financial support, internationally operated financial support, and private sectors and civil society operated financial support. This work will eventually lead to realistic recommendations for the harnessing of PES/REDD+ finance to incentivize LEDS on a landscape scale over the next 5 years.

Sustainable Travel International (STI) supports LESTARI's goals by working with stakeholders in Aceh and Central Kalimantan to improve lives and protect places in the Leuser and Katingan-Kahayan Landscapes through travel and tourism. During this quarter, STI completed an inception report that lays out STI's approach and proposed methodology for doing so, including a detailed work plan. The report also presents the results of an initial desktop scoping of Indonesia's tourism supply and demand, as well as governance, at both the national and landscape levels. This information will serve as a starting point for more detailed destination and situation analyses to be conducted in the field that will provide the baseline for subsequent STI activities.

Priorities for Next Quarter

- An assessment of potential funding for PES and REDD+ projects are currently being conducted by STTA within all LESTARI landscapes. The result is expected to be finalized by end of January 2016 and will be used as a reference for further development under Strategic Approach 8.

- An assessment of potential of eco-tourism opportunities in conjunction with STI for Aceh and Central Kalimantan.
- Follow up with several HPH/timber companies that are interested in developing eco-tourism opportunities within their areas of operation.

PROJECT COORDINATION, MANAGEMENT, AND COMMUNICATIONS

Success and sustainability of LESTARI hinges on effective horizontal and vertical coordination and communication both within and beyond the project. LESTARI uses a mixed-matrix management approach, as landscape staff are supported technically by the Jakarta office but report to staff inside the landscape offices. Within the project, the COP facilitates integration and collaboration among staff and subcontractors to ensure synergy among technical themes, and work with partners to ensure landscape-level best practices and lessons learned inform provincial and national-level policy.

Coordination and Management

During this first quarter, much of the initial focus was dedicated to finalizing key foundational documents. This includes the First Annual Work Plan, Landscape Baseline Analysis (LBA) Plan, Activity Monitoring and Evaluation Plan (AMEP), Grants Management Plan, and Procurement Plan. These documents will serve as important management tools in guiding, measuring, and reporting on LESTARI activities. The AMEP has been resubmitted to USAID for final approval, while the other 4 documents have been finalized, approved, and shared with relevant partners.

The LESTARI team also focused this first quarter on a wide range of introductory activities in order to build a solid foundation from which to launch a robust and ambitious LESTARI project. Some of the key events are listed below:

- LESTARI Landscape Partner strategic planning meetings were held in Aceh, Kalimantan, and Papua in order to explain LESTARI and to align the project to government and CSO priorities in each landscape.
- LESTARI Boot Camps were held in Central Kalimantan and Aceh in order to establish a clear vision of LESTARI's objectives and landscape initiatives. The Papua Boot Camp will be held in mid-January 2016.
- LESTARI staff took part in showcasing the LESTARI project at the Partners' Reception and Exhibition for USAID Assistant Administrator Jon Stivers' visit to Jakarta.
- LESTARI staff supported the Ambassador-hosted USAID launch of its new five-year Environmental program in Indonesia of which LESTARI is the largest project. The event attracted high-level government officers from BAPPENAS and MOEF, as well as all implementing partners from LESTARI and partners from the landscapes in which LESTARI works.

Communications

The LESTARI Advocacy and Communications team is tasked with effectively communicating LESTARI project achievements, results, best practices, and lessons learned to a broad audience at the international, national, and local levels. During this first quarter, a range of LESTARI communication materials were produced. This includes 6 technical factsheets that highlight LESTARI's tools and approaches, and 6 landscape factsheets that explain the challenges and initiatives unique to each landscape. These factsheets have been shared broadly with our partners in both Jakarta and the field. A LESTARI Glossary of Terms, available in both English and Bahasa Indonesia, has also been produced and shared. This

document ensures that the entire LESTARI team is well-informed and consistent in the use of the various terms and acronyms associated with the project.

Additionally, various web-based communication channels have been developed. This includes the LESTARI website, which is an important medium through which we will connect with all stakeholders. The website is currently being reviewed and finalized by the Tetra Tech home office before being launched early in the New Year. The Advocacy and Communications team has also set up 8 social media channels via Facebook and Twitter for both national and landscape operations (USAID Lestari, @USAIDLESTARI, USAID Lestari Indonesia, Lestari Leuser, Lestari Katingan-Kahayan, Lestari Cyclops, and Lestari Lorentz). These social media channels will support public outreach, education, and advocacy for action on biodiversity and climate change issues at both the landscape and national levels.

Personnel

The mobilization of key senior personnel was completed by early October. This included Chief of Party, Deputy Chief of Party, Operations Manager, Biodiversity Conservation Advisor, and Forest Governance Advisor. Long-term staff previously working on IFACS received new Scopes of Work and contracts, and successfully transitioned to LESTARI. Major field-based vacancies, including the Central Kalimantan Landscape Coordinator and Papua Landscape M&E Specialist, have been recently filled.

LESTARI partner organizations were initially given letter contracts so that they were able to participate in initial work plan and team building activities. Since October, fully executed subcontracts have been in place for all 9 of these organizations.

All LESTARI offices at the landscape and provincial levels, as well as in Jakarta, are staffed and fully functional.

LESTARI OFFICES		
LESTARI Head Office	Jakarta	
LESTARI Regional Offices	Central Kalimantan	Palangkaraya
	Aceh	Banda Aceh
		Tapak Tuan
		Gayo Lues
		Medan
	Papua	Jayapura
		Sarmi
		Merauke
		Timika

Challenges and Opportunities:

- The devastating fire and haze crisis of 2015 presented a significant challenge to coordinating the launch of both technical and operational activities, particularly in the Central Kalimantan and south Papua landscapes. The focus in these affected regions plausibly shifted to mitigating health impacts and possibly evacuating community members rather than project start up. In the long run, however, we are hopeful that the fire and haze crisis will serve as a catalyst for raising awareness, mobilizing government authorities, and ultimately propelling LESTARI's integrated fire management work.
- Moreover, because the fire and haze crisis has lessened in recent weeks, there is a strong concern that local communities will treat it as a routine, seasonal occurrence. Such a perception may impede efforts to shift towards integrated fire management with a focus on prevention. Our implementation of a robust advocacy and campaign strategy will be key.
- LESTARI landscape-level activities will be strengthened once formal project launches are completed in January and written Technical Agreements (TAs) are in place. We still await USAID and Bappenas guidance on the TA template.

Priorities for Next Quarter:

- Central Kalimantan USG launching events with Ambassador Blake, DOI, USFS.
- Papua launching event with Ambassador Blake.
- LESTARI Boot Camp in Papua.
- Recruitment for two Jakarta-based technical positions in Sustainable Landscapes and Decentralized Governance, as well as for a Landscape Coordinator and a Governance Specialist for the Leuser Landscape.

MONITORING AND EVALUATION

Progress This Quarter

During this first quarter, the LESTARI Monitoring & Evaluation (M&E) Team successfully completed the Activity Monitoring and Evaluation Plan (AMEP), which will be used to drive project direction to achieve its goals. The AMEP is a living document, designed to ensure accountability and learning, and used to facilitate and promote evidence-based decision-making. The design of the AMEP is founded upon lessons learned from the IFACS M&E system and key recommendations from the IFACS Final Assessment.

One key recommendation that influenced the development of the AMEP was the need to incorporate a Theory of Change (ToC) approach in M&E design. The assessment found that key critical assumptions about the causal linkages between activities and higher level results had not been considered due to limited use of program theory. LESTARI's theories of change not only illustrate the causal linkage between project interventions, but also how these interventions address drivers of deforestation to reduce high level threats to ecosystems, species, and human well-being targets. The development of the AMEP involved a participatory M&E workshop during September 2015 attended by LESTARI staff, USAID representatives, and representatives from USAID's Measuring Impact project to review and further nuance the ToCs for inclusion in the AMEP. The process resulted in the identification of eight Strategic Approaches which will be implemented within three Technical Themes: Forest & Land Use Governance & Advocacy, Conservation Co-Management, and Private Sector Engagement.

Furthermore, an overarching Results Framework (RF) has been developed to explain how LESTARI Strategic Approaches will address the drivers of deforestation and forest degradation, and reduce emissions and threats to biodiversity (see Appendix 2). In addition, seventeen performance indicators and a series of key impact evaluation questions have been selected to monitor progress toward achievement of outcomes and impacts of the project.

The first draft of the AMEP was submitted on October 9, 2015. The M&E Team subsequently received in-depth feedback from USAID and re-submitted the second draft of the AMEP on December 8, 2015. Though the draft is still under review by USAID, the content has been used to drive the development of LESTARI's Annual Work Plan and activity design. The draft has also been introduced to project staff at the landscape level to ensure that all LESTARI staff have a vision of where the project is going and how we plan to get there.

Within this quarter, the M&E Team also initiated the development of the LESTARI Management Information System (MIS). The MIS is currently being developed and on track to run effectively by the second quarter. A participative process in identifying the flow of approval and information has been conducted through several meetings and discussions. The MIS will serve as an accessible and transparent reporting tool to guide future activities and learning. It will also connect the development of activity scopes of work to the LESTARI approval process and link the outcomes of these activities to results as outlined in the AMEP as well as annual work plans. To increase efficiency, the MIS will also include features that allow coordination of technical activities with necessary administrative and operations support. Variable levels of MIS access will be provided to USAID, LESTARI partners, subcontractors, and grantees for reporting, operations support, and invoicing purposes.

A two-day training event was conducted for M&E staff on December 22-23, 2015. The purpose was to increase M&E staff understanding of AMEP, RF, ToC, and performance indicators as well as to enhance their skills on data collection and analysis. Another

important training involved enhancing the M&E team's ability to review and critique activities SOWs in order to ensure that every activity is designed in accordance with the identified ToCs.

Finally, the M&E team conducted a Forest Fire Impact Survey for Central Kalimantan in order to quantify the impacts at the household level for the recent fire and haze crisis. The M&E team completed the survey design which was used to interview 390 households in Palangkaraya, Katingan, and Pulang Pisau Districts during November 2015. Secondary data was also collected from relevant institutions involving health and economic statistics. The data collected is now under analysis. The final report will be completed by the second quarter.

Challenges and Opportunities:

When done well, a ToC approach can produce many benefits. It can develop agreement among diverse stakeholders about what the project is ultimately trying to do and how, or identify where there are legitimately different perspectives. It can also help to set realistic objectives and support the development of meaningful performance indicators to track progress and report achievements. ToC, however, is not always done well. One reason for this could be that the project has a lack of data and information to build quality assumptions. This can lead to a monitoring and evaluation system that produces an incomplete or distorted picture of what is happening and mistaken judgments about what is effective or efficient. It can take up time without adding value.

Realizing this situation, the M&E team has stressed that the AMEP is a living document. ToC should not be developed, represented, and used in a formulaic way, but instead strategically and reflectively, in ways that suit the particular situation. The opportunity to support this important principle is available within the LESTARI project. This is not only because the project is equipped with team leaders with a good paradigm, but also because transparency and 'breaking the silo' principles are highly promoted under the project. This fosters an environment of ongoing critical assessment and updating of plans and activities based on what proves to work or not work effectively.

Priorities for Next Quarter:

- Obtaining formal approval for the AMEP and operationalizing the AMEP and MIS.
- Providing hands-on training for LESTARI staff on AMEP and MIS.
- Developing an AMEP pocket guide for easy and handy reference for staff.

GRANTS FUND

LESTARI employs a Grants under Contract (GUC) program that supports project objectives, leverages funding from other non-USG resources, and builds the capacity of local partners. The grants program will be used to achieve the overall results and targeted outcomes of the LESTARI project. Criteria for awards and grantees include those that:

- Support a process of constructive engagement and planning between communities, NGOs, local government, the private sector, and other relevant institutions to work collaboratively towards sustainable landscapes management and effective biodiversity conservation.
- Pilot private sector engagement activities in support of the project's objectives, including but not limited to innovative partnerships with landscape communities for Green Development initiatives, stimulating payment for environmental services opportunities, and catalyzing responsible tourism development
- Support LEDES-based sustainable development initiatives to catalyze community support for conservation co-management in areas adjacent to protected areas in LESTARI landscapes.
- Support LESTARI's goals through communications and advocacy campaigns led by NGOs, MSFs, civil society, or the private sector to build informed constituencies for conservation.
- Support via activities, equipment, or materials to develop citizen-based district level mechanisms for monitoring compliance with existing land use regulations and planning processes, especially in carbon rich and biologically diverse forests in target landscapes.
- Provide innovative opportunities to support, engage, and empower women to participate in and benefit from decisions related to their access to natural resources.

The full procedure for the selection of grantees is detailed in the LESTARI Grants Management Plan. The full criteria for selection of grantees will be detailed in the RFAs released biannually.

Progress This Quarter

On November 12, 2015, USAID CO approved the LESTARI Grants Management Plan, after having been approved previously by COR. LESTARI has sent out two Requests for Applications this quarter and signed one grant.

RFA 001 was signed by LESTARI and Save Our Borneo on December 14, 2015 as LESTARI G-001 grant, entitled Fire Impact Video Campaign In Kalimantan Tengah, with LESTARI support of IDR 242,174,400 and SOB contribution of IDR 13,320,000. Working closely with the LESTARI Advocacy and Communications Team, SOB will develop five short films (5-7 minutes) on topics related to the impacts and risks of forest and land fires in Central Kalimantan. The videos are an integrated part of LESTARI's strategy, involving communication campaigns that target LESTARI stakeholders in each priority landscape to affect commitment and behavior change, including forestry management and governance campaigns, and awareness campaigns involving climate change and low carbon development. The grant is expected to finish in mid-February 2016.

RFA 002 was sent out to the public in the third week of December 2015. It sets out to give one grant of a maximum IDR 2,000,000,000 for a maximum period of 20 months. The RFA is entitled *Collaborative Habitat Conservation of Sumatran Orangutan (Pongo abelii) in Western Buffer Zone of Gunung Leuser National Park*. The grant activity is designed to support the overall objectives and targeted outcomes of the LESTARI project in the Leuser Landscape, particularly Aceh Selatan District, through a pilot program to conserve the Sumatran Orangutan by involving communities and other relevant stakeholders and to strengthen local policies to support conservation efforts. It is expected to contribute to LESTARI indicators 2 (critical forest areas under improved management) and 12 (co-management of conservation and critical forest areas). The targeted outcomes are:

1. 61,000 hectares of orangutan habitat in the Western Buffer zone of Gunung Leuser National Park (Aceh Selatan District) is under improved management.
2. A collaborative conservation management plan for orangutan habitat protection is developed, signed, and under implementation.
3. 2 communities adopt sustainable livelihood options and strategies to mitigate human-wildlife conflicts, especially with orangutan.
4. Stakeholders' awareness and appreciation of orangutan conservation is improved.

The Review and Evaluation Committee is expected to assess the application at the end of January 2016. The grant is expected to start in late February 2016 or early March 2016.

In addition, together with the technical team, and taking advantage of LESTARI bootcamps, the grants team is currently building a pipeline of potential grants to be able to anticipate and manage future load when the landscapes are ready to work with organizations through grants.

Finally, the Grants team is collecting lessons learned from IFACS grants, as some of the staff in the landscapes worked with IFACS grants. This is meant to foster a more efficient and effective grants system under LESTARI. The lessons learned will feed into a Short Guide to LESTARI Grants, developed as an operational guide for technical and landscape teams.

Challenges And Opportunities

- Currently, not all landscape teams have the capacity to work with grants. Much of this quarter was spent assessing the situation in the field and building capacity for grants management.
- There is a sense of unease among the landscape teams regarding working with local organizations/grantees. This likely arises from the previous IFACS experience in which landscape teams were troubled with grant projects that were not related to their area of expertise. Some of the causes relate to the pre-award part of the grant, which will be strengthened during LESTARI to minimize similar issues. Some of the causes relate to the lack of understanding on the role of technical and landscape teams in the Grants cycle, which will be addressed through capacity building for landscape teams and disseminating the Short Guide to LESTARI Grants.

Priorities For Next Quarter

- Convert RFA 002 into LESTARI G-002.

- Assist technical teams in developing 3-4 new RFAs, particularly focusing on those that will produce more than one grant each and can cover more than one landscape/geographical area.
- Finalize Short Guide to LESTARI Grants for Technical and Landscape Teams.
- Continue to build the capacity of landscape teams on grants management.

LESTARI INITIATIVES

NATIONAL INITIATIVES

Adapting from lessons learned through IFACS project implementation, LESTARI places greater emphasis on building and nurturing national-level relationships in order to increase impact at the landscape level; amplify tools, approaches, models, and lessons learned from LESTARI landscapes to other critical areas; and ensure sustainability of LESTARI climate change mitigation and biodiversity conservation beyond the life of project through necessary policy reform and budget support. This is essential to clarify and resolve ongoing gaps in roles and responsibilities under decentralization reform between the national, provincial, and district level governments as well as work with highly centralized natural resource extraction companies (natural forest concessions, large palm oil companies, and large mining operations) whose key decisions are made from Jakarta. Building these bridges from the landscapes to the national level is especially important in national park management and other instances where the national government maintains significant authority through deconcentrated rather than decentralized institutional arrangements.

Progress This Quarter

In this first quarter, the LESTARI team has begun to engage in several national-level policy discussions and initiatives of strategic importance to LESTARI's objectives.

The LESTARI team has worked with the Ministry of Environment and Forestry (KHLK) to support its social forestry initiative, which targets an allocation of 12.7 million hectares for community-based forest management. This represents an important opportunity to align interests and create synergy between GOI and LESTARI activities. Hence LESTARI has been supporting the development of co-management agreements in the areas adjacent to conservation and critical areas using social forestry initiatives through Village Forest (*Hutan Desa*/ village forest), Community Forestry (*Hutan Kemasyarakatan/HKm*), Community Plantation Forest (*Hutan Tanaman Rakyat/HTR*) and Customary Forest (*Hutan Adat/HA*). In so doing, the LESTARI team has actively participated in a series of workshops organized by DG Social Forestry to: 1) provide inputs to ensure the inclusion of selected priority villages of LESTARI in the map of indicative area of social forestry (*Peta Indikatif Persiapan Perhutanan Sosial/PIAPS*); 2) support the establishment of social forestry working groups at the sub-national level to foster the achievement of social forestry targets and also support policy change at the sub-national and national levels. Moreover, the LESTARI team has actively participated in coordination meetings involving donors, international organizations, and NGOs to support the initiative at the national level.

Moreover, LESTARI team members have provided inputs for conservation and forestry policy change at the national level, which includes Biodiversity Conservation Law (Undang-Undang 5/1990) and a decree for formalizing the nation-wide adoption of METT to measure the effectiveness of conservation area management.

LESTARI also utilizes international platforms to participate in important policy discussions on key issues such as palm oil. During this quarter, LESTARI's Private Sector Engagement Coordinator participated in the RSPO RT13 conference in Kuala Lumpur from November 16-19. The conference provided several crosscutting perspectives and insights relevant to LESTARI, including gender and the palm oil sector, smallholder mapping, and compensation for biodiversity conservation. The event also provided the opportunity to meet with several major palm oil companies that impact LESTARI landscapes. GAR, PT Eagle High Plantations, and Makin Group expressed interest in collaborating with LESTARI on a range

of important areas including conservation villages, wildlife corridors, smallholders training, GHG emission assessment, and IFM.

Challenges And Opportunities

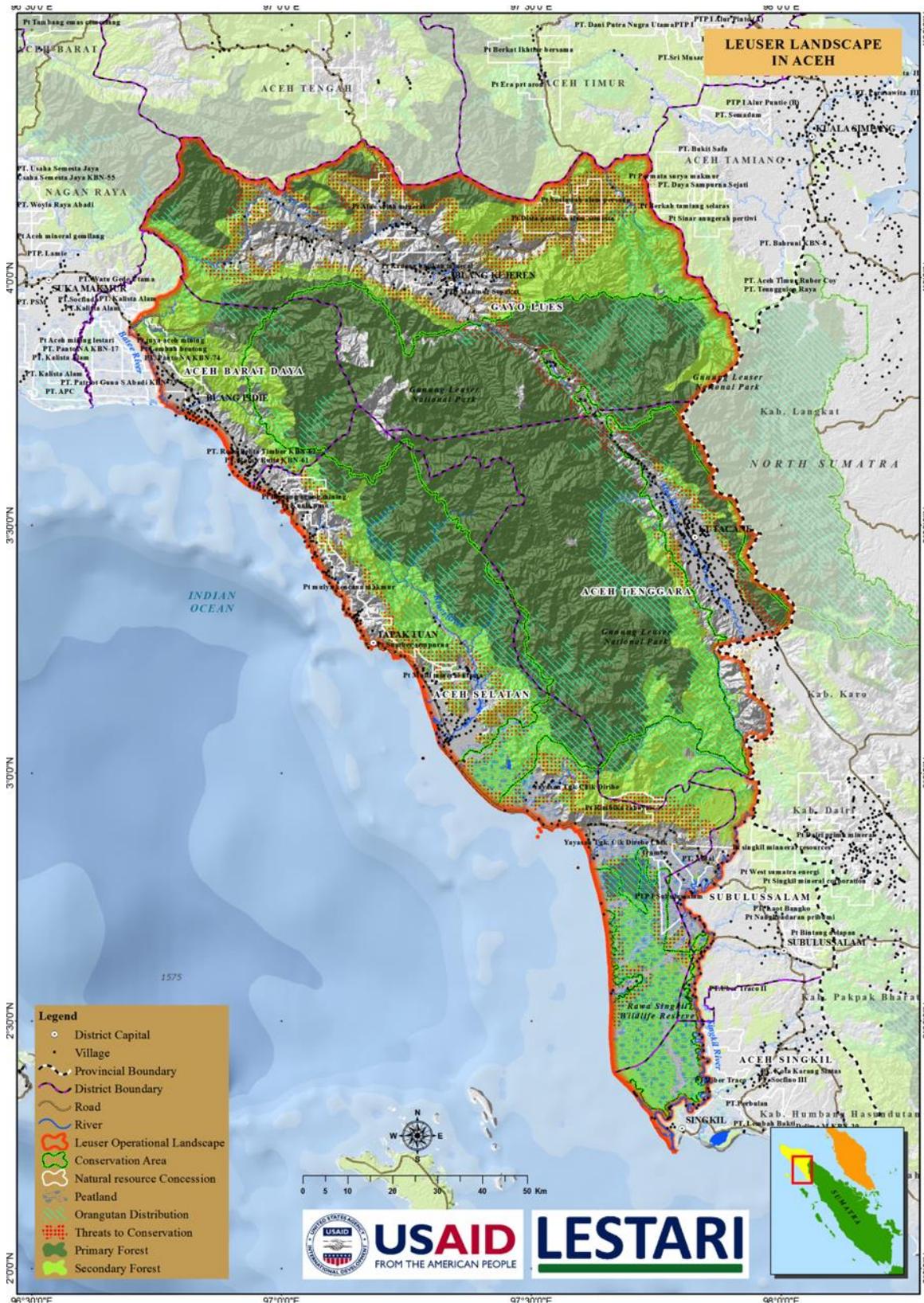
- The METT workshop and ongoing national-level policy dialogue is a crucial entry point for LESTARI to ensure the synergy of LESTARI's support with the priority actions identified by conservation area managers in LESTARI landscapes.

Priorities For Next Quarter

- Conduct a gender assessment and develop the LESTARI gender strategy. A series of workshops will also be implemented in Aceh, Papua and Central Kalimantan on gender analysis and methodology to ensure that the landscape staff members are able to integrate gender considerations in their plans.
- Follow-up with palm oil companies from RSPO RT13 on potential areas of collaboration.

LANDSCAPE INITIATIVES

Leuser Landscape



The Leuser Landscape encompasses a region in Aceh that is rich in natural resources and dominated by the agriculture industry. Crops such as cacao, nutmeg, rubber, and oil palm are important contributors to the region's development and community livelihoods. The value landscape is largely defined by the Leuser National Park and contains large tracts of lowland and montane forests supporting Sumatran mega diversity and key species (tiger, elephant, rhino, and orangutans). The landscape includes at least 375,000 ha of orangutan habitat. The operational landscape is largely defined by the district boundary of Gayo Lues, Aceh Tenggara, and Aceh Selatan. A significant proportion of Aceh Barat Daya and the adjacent villages that have an impact on forest conservation within the value landscape are also included in the operational landscape and will be targeted for activities to reduce pressure on the national park and surrounding forested watersheds.

Core initiatives that will relieve pressure on forest resources and reduce GHG emissions in this landscape are:

- Collaborative management of Gunung Leuser National Park and Trumon-Singkil Corridor
- Green Enterprise Development (nutmeg, cacao, tourism)
- Payment for Environmental Services (water, carbon)

Progress This Quarter

Foundation activities during the first quarter have focused on coordination with the Leuser Landscape stakeholders to explain the LESTARI project in terms of its goals and targets, approach, structure, and to introduce the geographic focus of the landscape. These introductory meetings have been essential for developing a strong and committed partnership for the implementation of the project over the next 5 years. Priority stakeholders for LESTARI include the IFACS-formed MSF in Gayo Lues, Aceh Tenggara and Aceh Selatan Districts, the District governments (primarily to BAPPEDA and Forestry Office), Leuser National Park, and BKSDA. The LESTARI team has also started to cultivate relationships with the Aceh Provincial government that includes discussions with the Forest Management Units (KPH) region III, V and VI (that overlap with the Leuser landscape) and the People's Representative Council (DPR) of Aceh, which wishes to promote Conservation District initiatives. The LESTARI team has also coordinated with the NGO community and has developed a high level of visibility in the province.

Stakeholders strongly support the aims of LESTARI. At the provincial level, the Forestry Office (Dinas Kehutanan) has suggested the development of a Collaborative Agreement between USAID LESTARI and the Aceh Provincial government. The agreement would monitor and help to guide the project, as well as aid in the coordination with other projects in the landscape (such as KfW's climate change for Aceh project). The government also wants to see collaboration with the KPH III, V, and VI, as provincial government representatives for forestry management at the district/landscape level according to UU No.23/2014.

At the district level, stakeholders have a good appreciation of the LESTARI project from its predecessor, IFACS, and look forward to continued assistance that can impact development and welfare of local communities. Local governments wish to collaborate with LESTARI through programs related to community development, social forestry, and sustainability such as ecotourism, the provision of environment services, and community and village forest development.

LESTARI has been coordinating closely with the Leuser National Park and BKSDA Aceh concerning Conservation Area protection. BBTNGL's priority is protection of the park and is keen for the LESTARI team's cooperation, such as capacity building for park staff, facilitation

of patrols, and working with the police and judiciary system. LESTARI is in the process of developing a collaborative agreement with the Ministry of Environment and Forestry so that LESTARI programs can be coordinated at the national level.

In line with this, LESTARI implementing team member WCS has conducted SMART Patrols in 8 resort areas of the park since October. Patrols consist of 4 park staff and an assistant from WCS. Patrols have documented illegal logging, signs of poaching (animal snares, animal carcasses of bears and elephants), and land clearing. The team also documented key species in Leuser such as tiger, orangutan, and the rare Rafflesia flower.

Wildlife-human conflict is an increasingly serious issue that results in damage to community assets and loss of the offending wildlife. The WCS Wildlife Response Unit supported through LESTARI has been operating in Aceh Tenggara and Gayo Lues. It has carried out prevention activities including village patrols, extension services to communities, and also some research related to wildlife conflict. In Gayo Lues, WCS and BKSDA have been promoting the cattle-enclosure system, which involves developing large livestock pens in Garut and Bhukut Villages. Pens are expected to change livestock management and reduce wildlife conflict. This should ultimately protect the local tiger population, which is often poisoned or hunted by communities that loose cattle.

WCS' Wildlife Crime Unit (WCU) has obtained information related to biodiversity crimes in the Leuser Landscape such as traffickers of birds and rhino horns, collectors and buyers of hornbill casques, and hornbill hunters. The trail of illegal wildlife trade has also been traced to Medan, North Sumatra where hornbill casques can sell for Rp. 500,000 per casque. The WCU team also observed legal proceedings against two tiger skin traffickers in Kutacane who were arrested by police and a BBTNGL officer. Both suspects have been sentenced to prison for 5 months and fined 200 million.

The LESTARI team has conducted assessments in 118 villages (41 sub-districts from the 4 focal districts) in the Leuser Landscape. Led by implementing partner FIELD, this work aims to develop an integrated program based on sustainability awareness, livelihood development, and conservation in the Leuser landscape. The team has taken a sub-watershed approach in identifying 30 critical villages in upstream and downstream areas where the approach can be implemented. Important watersheds identified are the Singkil-Alas, Tripe-Batee, and Kluet watersheds, which include 10 villages in Aceh Tenggara (Singkil-Alas), 10 villages in Gayo Lues (Tripe-Batee), 3 villages in Aceh Barat Daya (Tripe-Batee), and 7 villages in Aceh Selatan (Kluet). Selected villages have a good potential to develop community forestry (*Perhutanan Sosial*) due to their location – near protected forest or conservation areas. These selected communities also have a strong understanding of forestry and biodiversity conservation, including local wisdom, the development of Community Conservation and Livelihoods Agreements (CCLAs, under IFACS), and village regulations involving social and cultural aspects of forest management. These communities are also vulnerable to natural disasters such as floods, landslides, and drought, as well as human-wildlife conflict. The assessment involved 344 respondents and 20 local stakeholders from various institutions such as Leuser National Park, KPH, and MSF. During the rapid assessment mentioned above, potential commodities for livelihoods development have been identified.

LESTARI has also conducted workshops with the proponents (FAJEM and FKPSM) of the two carbon projects developed under IFACS. This resulted in formatted technical proposals that were submitted to ICCTF for potential funding.

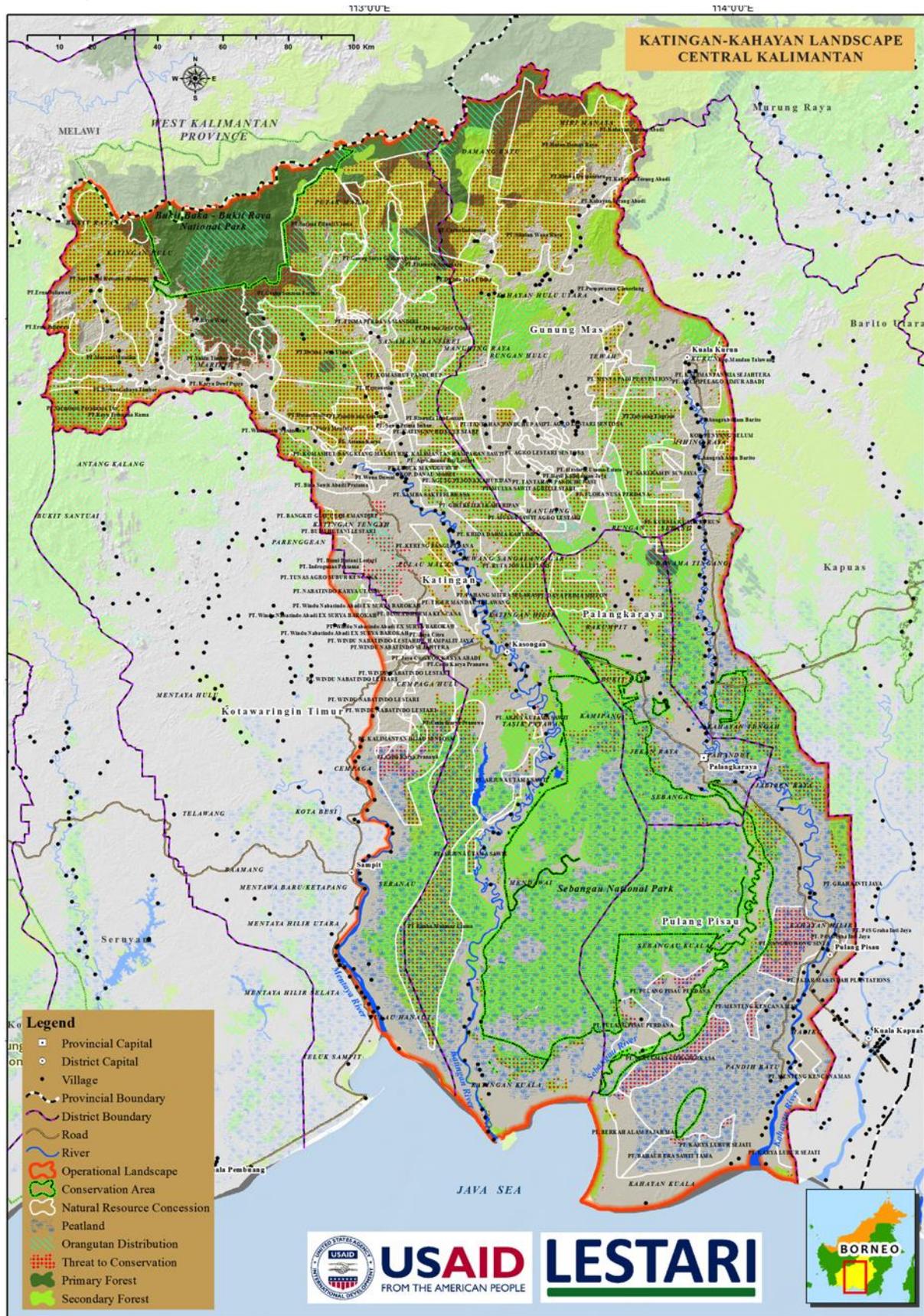
Challenges and Opportunities

- Nature tourism development in Aceh Selatan and nutmeg, cacao, lemongrass and pine timber show promise in the Leuser Landscape. Work on the value chains and the development of an effective strategy to improve sustainable livelihoods is needed.
- The social forestry scheme in Aceh linked to MOEF program (P3MD) has great potential in Aceh.
- Aceh Barat Daya is an important focal district in this landscape. There is a need to build good relationships and communication channels with the district government to ensure that LESTARI activities can be implemented smoothly. IFACS identified a suitable Governance Specialist candidate that could take the lead on bringing Aceh Barat Daya into the LESTARI project.
- Support for the project by BPKH XVIII Aceh and KPH V-VI could lead to the development of effective collaborative management schemes.

Priorities for Next Quarter

- LESTARI Launching and signing of needed collaborative agreements between the project and Acehese Government.
- Develop work plans and collaborative agreements between LESTARI and MOEF.
- Community engagement with 30 LESTARI villages in Leuser Landscape to develop collaborative management agreements for forest areas involving the KPH, Leuser National Park, and MSF.
- Complete a value chain survey and develop a public private partnership for commodity suppliers from the Leuser Landscape and potential buyers.
- Continuation of protection activities through SMART patrols, Wildlife Conflict Mitigation, and Wildlife Crime Units in Leuser National Park and Singkil Natural Reserve.
- Restart MSF activities and establish an MSF in Aceh Barat Daya District.

Katingan-Kahayan Landscape



The Katingan-Kahayan Landscape in Central Kalimantan covers more than 4 million hectares and includes both deep peatland and Sebangau National Park. Much of the landscape is vulnerable to forest fires, illegal logging, forest degradation, and conversion for oil palm plantations. The value landscape in Central Kalimantan is dominated by Sebangau National Park that is included in its entirety, the surrounding peatlands adjoining it, and the Central Kalimantan portion of the Bukit Baka Bukit Raya National Park. The operational landscape is defined by Katingan, Pulang Pisau, and Gunung Mas districts, as well as Palangkaraya municipality. Similar to the Leuser Landscape, villages surrounding important conservation targets in adjacent neighboring districts are included in the operational landscape.

Core initiatives to be implemented in the Katingan-Kayahan Landscape are:

- Integrated Fire Management (IFM)
- Bukit Baka Bukit Raya co-management

Progress This Quarter

Forest and land fire that spread throughout the landscape, primarily on degraded peatlands seriously disrupted progress in accordance with the work plan. Fires have become an annual event caused by irresponsible land management, usually to clear land for plantation development. The 2015 fires in Central Kalimantan, as well as in many other parts of Indonesia, were exacerbated by the extreme El Niño conditions that caused a prolonged dry season. The LESTARI team adapted to the situation and focused on convening stakeholders to address to fire issue.

During the height of the fires, LESTARI coordinated meetings, workshops and a series of other informal discussions with peatland management experts, the regional disaster management body (BPBD), local governments, NGOs, and the media to formulate a policy paper. The paper lays out four main categories and priorities of action, including 1) inputs for policy change for peatland management (such as the revocation of small-holder's rights to use fire to clear land on peatlands), 2) fire control and prevention – development of the capacity to deal with fire, 3) restoration of peat hydrology – such as canal blocking, and 4) disaster response to smoke and haze victims. This initiative has also been extended to Pulang Pisau District where the LESTARI team has facilitated the development of a “grand design” for fire mitigation. This primarily focuses on fire-fighting equipment in next year's budgets and synchronization between the government offices of the district. Pulang Pisau was one of the worst affected areas during the fires and has become one of three focal districts identified by the Minister of Environment and Forestry for peatland restoration to prevent fire in future.

LESTARI also provided a fire consultant to enrich the grand design developed by local stakeholders and draft an integrated fire management plan that concentrates on the area of village forests in Buntoi, Mentaren I, Gohong, and Kalawa. This draft plan advocates restructuring Block C of the Ex-Mega-Rice project through eco-hydrological management than involves massive-scale canal blocking, clear agreed upon zonation land use (including significant forest restoration on the deepest peat), modified waterways to allow access in a limited development zone, and the restoration of burned rubber and other agroforestry crops for community livelihoods.

The LESTARI team implemented a preliminary survey on the locations for potential community forestry within Kamipang Sub-District, Katingan. Forests in Karuing, Telaga, Perupuk and Jahanjang villages covering an area of 7,500 hectares have been identified where community forestry is possible. Within the spatial plan for Central Kalimantan (Peraturan Daerah Provinsi Kalimantan Tengah No. 5 Tahun 2015), the majority of the area

is in the “Strategic Peatland Zones”, while according to Forestry Utilization Spatial plan (Keputusan Menteri Kehutanan SK.529/Menhut-II/2012), area is slated for production forest and conversion production forest.

Initial communications between the Head of Section III of Sebangau National Park and the Tumbang Bulan village have proposed a joint patrol system (*Patroli Bersama Masyarakat*) to prevent illegal activities in Sungai Bulan that lies within the park. Patrols will be a collaboration between the national park, the community, and the LESTARI team, led by WWF.

The LESTARI team, led by FIELD, have surveyed 20 villages in Pulang Pisau and Palangkaraya municipality to identify issues behind forest and peat fires, and to assess the potential for developing alternative livelihoods from those that often are the cause of fires (*sonor* rice farming and oil palm development) as an approach to prevent them. Criteria to identify target villages for LESTARI interventions included proximity of the village to peatland and the national park, high risk of forest fire, presence of forest and threats to biodiversity, the support of the community for interventions, absence of other organizations and programs for assistance, and the potential for developing alternative livelihoods. During this assessment, some of the USAID IFACS assisted communities lost rubber plantations and other agroforestry crops to the fires. Others will able to control the spread of fire through collective action with only simple fire-fighting equipment. In addition, the flooding impact on communities was documented. Burning the peat repeatedly reduces the peat profile (height of the land) and communities are trapped in a vicious cycle of drought and flood where their ‘traditional’ livelihoods become totally unsustainable. These communities provide important lessons learned for future implementation projects that promote alternative livelihoods within an integrated fire management program.

The local NGO POKKER SHK and LESTARI team has reformatted the carbon project concept note developed under IFACS to align with ICCTF standards. The project proposal to improve management of the village forests in Pulang Pisau was submitted in December.

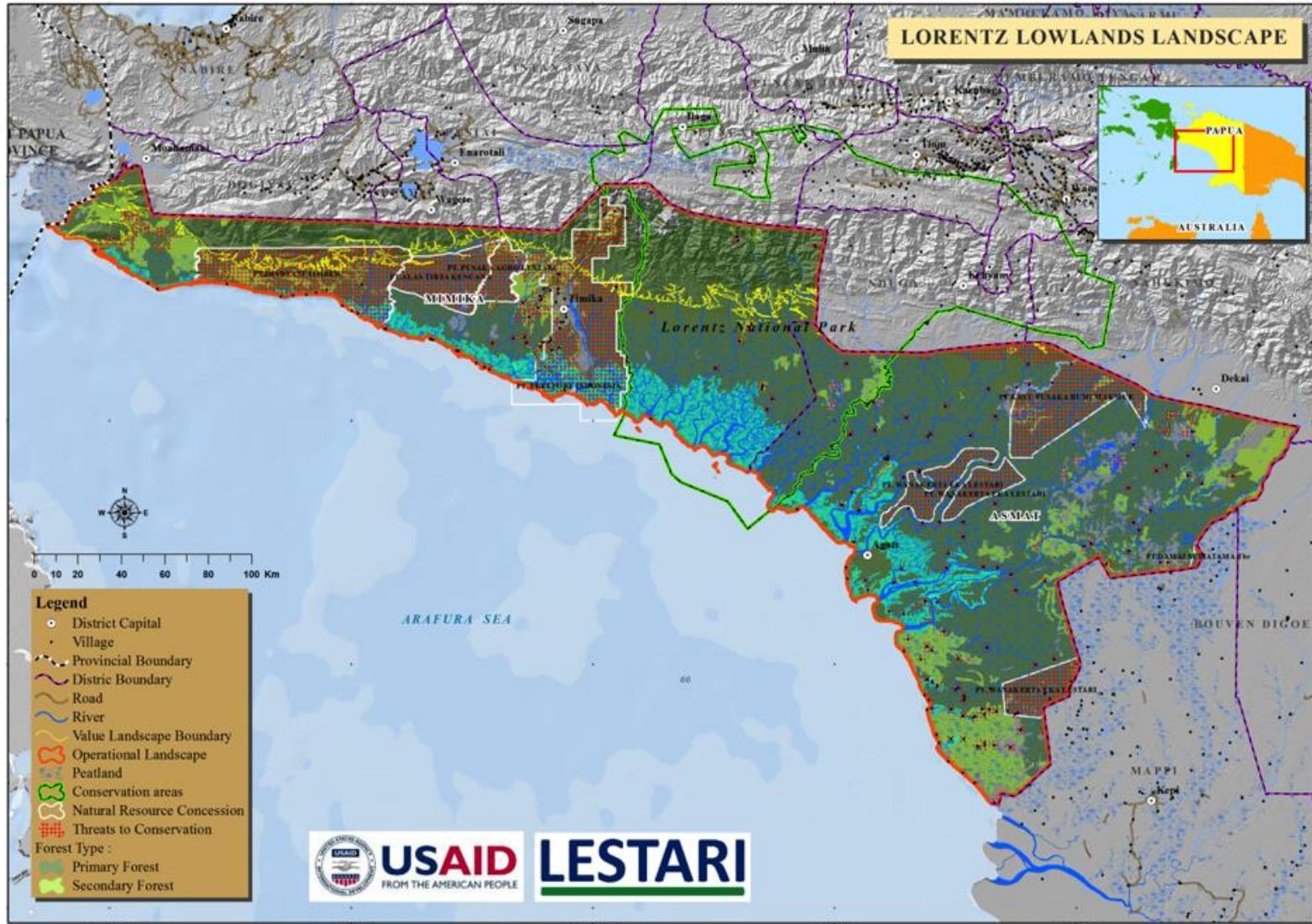
Challenges and Opportunities

- The community forestry scheme has strong support from the MOEF, particularly from the Social Forestry Directorate. The LESTARI team will work towards finding common agreement on objectives and management with communities in the areas identified.
- While joint patrols are proposed at a regional national park level, further official agreement by the head of the park is still required, necessitating official agreements between the project and the MOEF, specifically the Office of Nature Conservation and Ecosystems (KSDAE).
- To overcome difficulties of drought, fire, and increasing prevalence of floods experienced by some communities in the Katingan-Kahayan Landscape, the LESTARI team has identified potential commodities that can support community livelihoods including freshwater fisheries, rubber, and rattan.
- APhi – the Indonesian Association of Forestry Companies – are enthusiastic about developing a landscape approach for sustainable forestry and timber production around Bukit Baka Bukit Raya National Park.

Priorities for Next Quarter

- Community Forestry Engagement at the village level and convening at the sub-district level, and developing agreement on the objectives and outlines of management plan to submit to the MOEF.
- Facilitate agreements between Sebangau National Park Office and the Village Government of Tumbang Bulan to support community-based patrols.
- LESTARI and Direktorat Jenderal KSDAE partnership workshop to develop joint work plans in protected areas of Sebangau National Park, Bukit Baka Bukit Raya National Park, and Tangkiling Tourism Park.
- Initiate Sustainable Livelihood Assessments (SLAs) to development livelihoods and improved land use agreements with 25 communities.
- Develop agreements with the private sector (timber companies) around Bukit Baka Bukit Raya National Park.

Lorentz Lowlands Landscape



The Lorentz Lowlands Landscape in south Papua consists of largely intact upland (free draining, mineral soil) forests in the northern parts of the landscape, extensive lowland swamp forests, and mangrove ecosystems. The Mimika and Asmat Mangroves stretch along 500 km of coastline and cover over 400,000 ha of mangroves. The bordering freshwater swamp forest covers an additional approximately 1M ha. These mangrove and backwater swamps are a world-class asset and harbor some of the highest carbon stock per hectare of any forest on the planet. The operational landscape is defined by Mimika and Asmat districts. Lorentz National Park provides a shared centerpiece in the landscape.

The core initiative to be implemented in the Lorentz Lowlands Landscape is the co-management of Lorentz National Park, South Papua Mangroves, and Asmat Cultural Heritage Sites.

Progress This Quarter

The LESTARI project has been socialized with communities in Mimika Timur Jauh and Jita sub-districts with six staff from the Lorentz National Park and LEMASKO (members of the MSF). Mimika Timur Jauh and Jita lie within the boundary of the national park, an area that was not impacted by LESTARI predecessor, IFACS. Participatory mapping training, zonation of the national park, and endemic species conservation were chosen as the entry points for introducing the project. Meeting and training in the mapping process involved the head of Mimika Timur Jauh sub-district, traditional (*adat*) leaders, community members, and village government leaders. The meeting focused primarily on the three villages of Fanamo, Omawita, and Ohotya in Mimika Timur Jauh and the four villages of Sempan Timur, Kanmapi, Wenin, and Noema in Jita sub-district. The training resulted in a team of 36 village facilitators being selected from the seven villages that will carry out participatory mapping in the next quarter with assistance from the LESTARI team. Ten villages requested participatory mapping. The additional six villages will be commenced after the four initial villages have been completed.

During the training and socialization of LESTARI in Lorentz National Park, candidate local conservation champions were identified. These include the village heads and secretaries, *adat* / traditional leaders, women leaders, and a nature conservation activist. The communities also gave inputs about developing regulations for the minimum size of mud-crabs that may be harvested from the mangroves and the management of mangroves for alternative livelihoods. The activity for the rarely visited villages gave good experience and exposure to the MSF for the effective communication of regulations – most notably the style of language and materials that should be used for effective dialogue and dissemination of information.

The LESTARI team, led by implementing partner Blue Forests and in collaboration with the Forestry Office in Mimika, held a socialization event for the Local Regulation (Peraturan Daerah – Perda) on Protection and Management of Mangrove Ecosystems (*Peraturan Daerah Kabupaten Mimika No.12 Tahun 2014 tentang Ekosistem Mangrove*). This regulation was initiated under IFACS, and the district government hopes that its implementation can continue under LESTARI. Subsequently, a 2-day workshop was held to promote improved mangrove conservation in Mimika involving local government offices in Mimika, LEMASKO, the private sector, and local NGOs. The Integrated Mangrove Management Plan (IMMP) was used as the foundational document, which resulted in a clear picture of key stakeholders involved and their current programs over the short to mid-term that directly contribute to the IMMP.

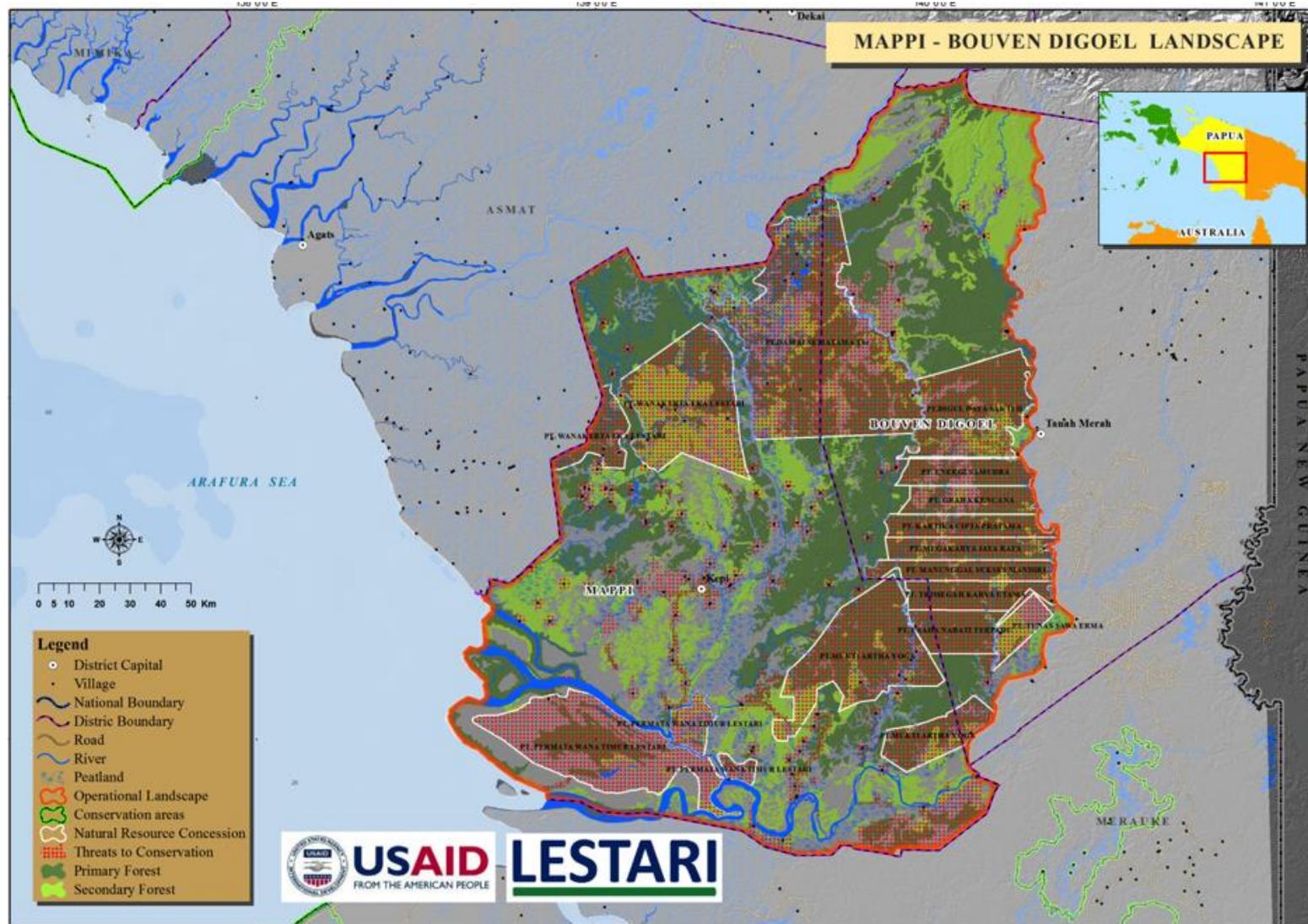
Discussion between the Asmat District Government and the LESTARI team about the change of status of the Rawa Baki and Vriendschap traditional protected area has made some progress. Rawa Baki and Vrindeschap were identified as having important cultural

value to the Asmat people. They were to be managed under traditional regulations and a previously proposed Essential Ecosystem Area (*Kawasan Ekosistem Esensial*) during IFACS. However, now it is being proposed as a protected forest (*hutan Lindung*) with an area of 123,000 ha. This move by the government of Asmat is to partially release a small area of forest in Jipawer village as a production forest (3,000 hectares) under a pilot Traditional Forest Management license (IUPHHK-MHA). The approach must follow the correct procedure with the Ministry of Environment and Forestry and requires detailed maps and boundaries (already produced through IFACS), detailed surveys, recommendations from the Bupati and Governor.

Lorentz Lowlands Landscape hosted a delegation from MOEF that wanted to observe the landscape and issues that LESTARI will be tackling first-hand. The LESTARI team focused on experiences in forming the Mangrove Working Group and the Integrated Mangrove Management Plan in Mimika.

LESTARI has also been preparing a final carbon project proposal for potential ICCTF funding based on the Project Concept Note for Improved Mangrove Management under the IFACS project. The official proponents and managers of the project, if successful, are LEMASKO.

Mappi-Bouven Digoel Landscape



The Mappi-Bouven Digoel Landscape in covers a large undeveloped expanse of lowland forest on a lowland mineral terrace, and extensive peat lands, swamps and some mangrove in the lower reaches towards the coast. The landscape is characterized by Papua's largest river, the Digul, which forms the eastern boundary of the landscape. The operational landscape is defined by Mappi district and a significant portion of Bouven Digoel district bounded by the Digul River.

The core initiative in the Mappi-Bouven Digoel Landscape is to rationalize current and proposed plantations to ensure conservation of HCV and HCS forest.

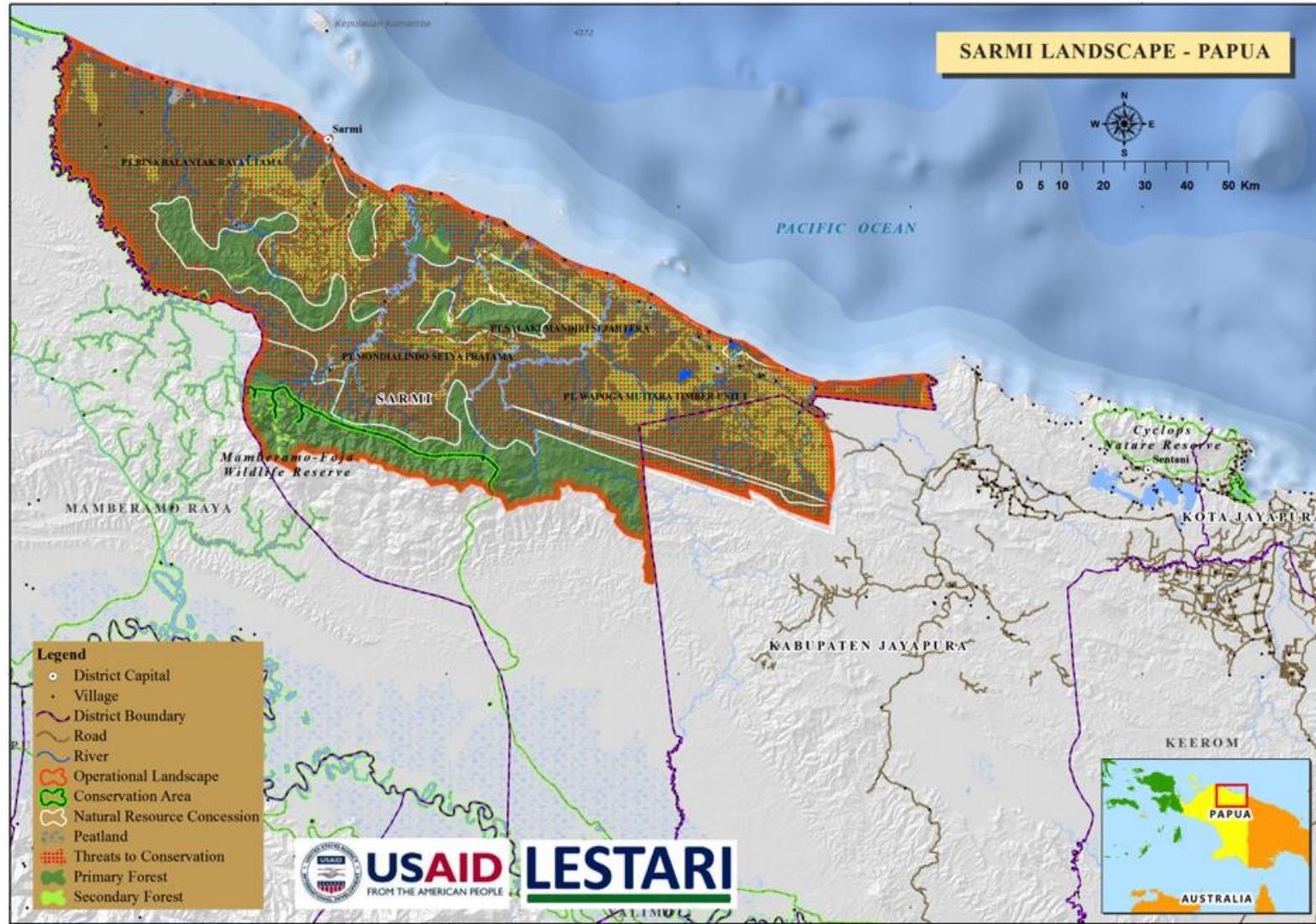
Progress This Quarter

Stakeholder Mapping has been carried out by the LESTARI team lead by WWF in Bouven-Digoel District as 1) the precursor for developing a Multi-stakeholder Forum in the district, and 2) socializing the LESTARI project in Bouven-Digoel – a new District for USAID environmental projects. A meeting with multiple stakeholders was held in Tanah Merah (the capital of Bouven-Digoel) over 4 days with representatives from the local district government, communities, and church. All stakeholders present supported the aims of the project and await its implementation. Local partners identified include 11 local government offices (SKPD), 3 Adat Community Organizations (*Lembaga Musyawarah Adat*: LMA-Koroway, LMA-Muyu, and LMA-Mandobo), the Catholic Church, Government Radio News (RRI), the local military, and police. Stakeholders have agreed to form a multi-stakeholder forum in early 2016.

A similar approach was taken in Mappi District where stakeholders were consulted during a series of meetings in November and December. 57 organizations were identified that are potential members of a multi-stakeholder forum, including 39 local government offices (23 at the district level and 15 at the sub-district level), the DPR, 1 Adat Council, 2 local NGOs, 2 youth communities, police and local military, and 3 natural resource companies currently operating in the district. Stakeholders have agreed to form a multi-stakeholder forum in late January.

Rubber has been identified as a key commodity in this landscape to support alternative livelihoods. Through green enterprise development, rubber has the potential to improve the management of natural resources, reduce encroachment pressure, and reduce land-based GHG emissions. The LESTARI team has inventoried community rubber plantations of 3 rubber farming groups in Ima village, Nambiomen Bapai Sub-District. This information will serve as a baseline for green enterprise development for the indigenous community in Mappi. Results have shown that the scale of rubber farming is still in the micro-plantations, and while the potential for scaling-up from the perspective of land availability is huge, more detailed analysis of community motivation and human resources is needed before this becomes a focus of LESTARI implementation.

Sarmi Landscape



The LESTARI Sarmi Landscape in northern Papua is almost entirely covered with natural forests, from the low coastal land up to the Foja Mountains in the hinterlands. This includes extensive areas of lowland peat swamp forest as well as mangrove forests along the 200 km coast. The region is known for its rich biodiversity in all forest types including tree-kangaroos, the enigmatic Northern Cassowary, 16 species of parrot and cockatoos, and 6 species of birds of paradise – all of which are relatively common throughout the landscape. As 96% of the Sarmi Landscape is forest-covered, the operational landscape is almost identical to the value landscape.

The core initiative in the Sarmi Landscape is to ensure high conservation value (HCV) and high carbon stock (HCS) conservation.

Progress This Quarter

The Sarmi Landscape Coordinator started with LESTARI in November and immediately initiated work with the MSF to maintain the momentum achieved through the IFACS project. Even though the mostly government members of the MSF were extremely busy with government funded projects at the end of the year, the MSF members chose to prioritize “revitalization” so they could benefit from the LESTARI project moving forward. The structure of the MSF secretariat did not change, and the Bupati decree is still in effect. This is largely because of the political situation in Sarmi at present that is not conducive. A routine forum will be held every 3 months or more frequently if needed. The first forum to be held in 2016 will prepare a work plan that synergizes LESTARI’s relevant technical themes. Changes in the MSF include community-level working groups to support bottom-up planning and monitoring and evaluation. The Sarmi District BAPPEDA have agreed to support the activities of the MSF through government funding and house the secretariat in the GIS laboratory so that the Sarmi District MSF and Spatial Data Infrastructure developed through IFACS have workspace. Sarmi MSF have prioritized monitoring and evaluation of government plans and programs and require capacity building in this regard so that a mechanism that reports back to the constituents in Sarmi can be developed.

BAPPEDA prioritized and funded a program to collect village and sub-district boundaries. LESTARI carried out training in boundary mapping and social-economic data collection for 23 members of the Sarmi SDI that was followed by field activities in five sub-districts to collect the required data. Information collected was stored in GIS and thematic maps utilizing this data were produced. This will be followed up with public consultations to finalize the maps and data and to officially register villages in the newly devolved districts.

The LESTARI team has been following the Sarmi long-term development planning process and providing technical inputs for strategic issues related to the threats of climate change in Sarmi, through the Musreimbang 2005-2025. Key issues include the availability of clean water, coastline abrasion, and High Conservation Value forest conservation.

Cyclops Landscape



The Cyclops Landscape in northern Papua is the smallest LESTARI Landscape (47,000 ha), but nevertheless rich in forest and biodiversity resources. The proximity of the mountain range to the provincial capital provides a focal point for conservation of environmental services. Due to the proximity of Papua's largest population center, the mountain range is under threat from illegal logging, charcoal making, wildlife poaching, and encroachment for agricultural land by mountain communities migrating to the capital. The value landscape is defined by the remaining forest within and surrounding the nature reserve. The operational landscape contains the bordering buffer zone to the reserve.

The core initiative to be implemented in this landscape is the co-management of Cyclops Nature Reserve.

Progress This Quarter

LESTARI has been following Cyclops conservation developments and providing technical inputs for improved management. The boundary setting of the nature reserve is a complex process and is needed as a follow up from the local government regulation (Perda No 9/2015) for the Protection and Management of the Cyclops Buffer Zone. Much of the work this quarter in the Cyclops Landscape has been related to finalizing lengthy arrangements for the Cyclops Declaration. A summary of the Collaborative Management Plan for the Cyclops Nature Reserve and buffer zone has been produced for the Governor and all parties that are involved with the signing of the declaration.

The LESTARI team has also been involved in restoration activities in the Cyclops buffer zone where an area of 2.5 ha of degraded land was planted with local species by 150 participants from local government, the private sector, NGOs, military and police, local communities, and school children.

The Cyclops Landscape hosted a delegation from MOEF that wanted to observe the landscape and issues that LESTARI will be tackling first-hand. The delegation focused heavily on the need for a formal agreement between a technical unit within MOEF and LESTARI, at the landscape level, before collaborative work can begin. This will require finalized central level agreements. The delegation also noted that joint work plans for Cyclops and Lorentz protected areas should be developed.

Papua Provincial Initiatives

Activities at the Provincial level are especially important in Papua as LESTARI works in four landscapes, and issues resolved at the provincial level will often have an impact for one of more landscapes, creating efficiencies. An example of this is the preparation for improved conservation area management through the application of the Management Effectiveness Tracking Tool (METT). LESTARI, in collaboration with BBKSDA-Papua, has implemented a training workshop for 24 participants from Papua National Parks and Nature Conservation Authority (BKSDA). Lorentz National Park lies partially within the Lorentz Lowlands Landscape, and Wasur lies outside of the LESTARI landscape but is important for inclusion to train Papua conservation managers that often move between parks. The training included a discussion of the results of an initial METT scoring in the conservation areas of Cyclops Nature Reserve, Lorentz, and Wasur National Parks that have been conducted previously, and development of follow-up actions plans to improve conservation management that was identified through the application of the tool.

Challenges and Opportunities in Papua Landscapes

- During the second to last week of October, thick smoke from forest and peatland fires in Merauke, Mappi, and Bouven-Digoel covered southern Papua. This disrupted the transportation services in and out of Mimika as well as everyday community activities. Without special attention, deliberate forest fires (largely from the plantation industry) could significantly affect livelihoods as well as GHG emissions from Papua. The MSFs in Mimika, Asmat, Mappi and Bouven-Digul should prioritize this issue in future dry seasons.
- Government schedules at the end of the year often conflict with activities proposed by LESTARI, resulting in delays to implementation. This includes the government elections that took place in Asmat and Bouven-Digoel.
- Activities that were carried out in Lorentz National Park revealed potential conflicts between the Sempan, Amugme, and Nduga tribes. The lowlands have traditionally been home to the Sempan, but development in the lowlands has brought in a mixing of tribes that could lead to tenurial conflicts.
- A railroad has been planned for Jayapura-Sarmi by the Sarmi government. This largely unrealistic, unsustainable, and uneconomic plan is diverting energy and focus from the more pressing sustainability issues in the District.
- During multi-stakeholder meetings in Mappi, plans from the government to allocate 133,906 hectares for rubber and sugarcane plantations were documented.
- Mimika, Sarmi, and Jayapura have shown commitment to LESTARI and budgeted funds for activities that will contribute to improved natural resource management and reduced GHG emissions. Activities budgeted include financial support for the MSF, development of the SDI, and collaborative management of protected areas.

Priorities for Next Quarter in Papua Landscapes

Papua Province

- LESTARI launch involving the US Ambassador and Governor of Papua.
- LESTARI Boot Camp in Papua.

Mimika-Asmat

- Participatory mapping of sacred and culturally significant sites for the community in 7 villages in Mimika Timur Jauh and Jita.
- Capacity development and formalization of the MSF in Asmat.
- Resilience Assessment of mangrove and swamp ecosystems and training in Mimika and Asmat.
- Spatial Plan monitoring capacity development for the SDI, BKPRD, and Civil Servant Investigator (PPNS).

Sarmi

- Capacity development program for the Sarmi MSF, especially for Monitoring and Evaluation.
- The formation of the Spatial Planning Coordination Dody (BKPRD)
- Public consultation for administrative maps produced for recently devolved villages and sub-districts.

Mappi-Bouven Digoel

- MSF formation in both Mappi and Bouven Digoel.
- Development of a consolidated approach to land use rationalization in Mappi-Bouven Digoel.

Cyclops

- Signing of the Cyclops Declaration to unite multiple stakeholders in the sustainable management of Cyclops Nature reserve and buffer zone than provide vital environmental service to Jayapura and Sentani.
- Village assessment for Co-management initiatives in collaboration with Universitas Cendrawasih.

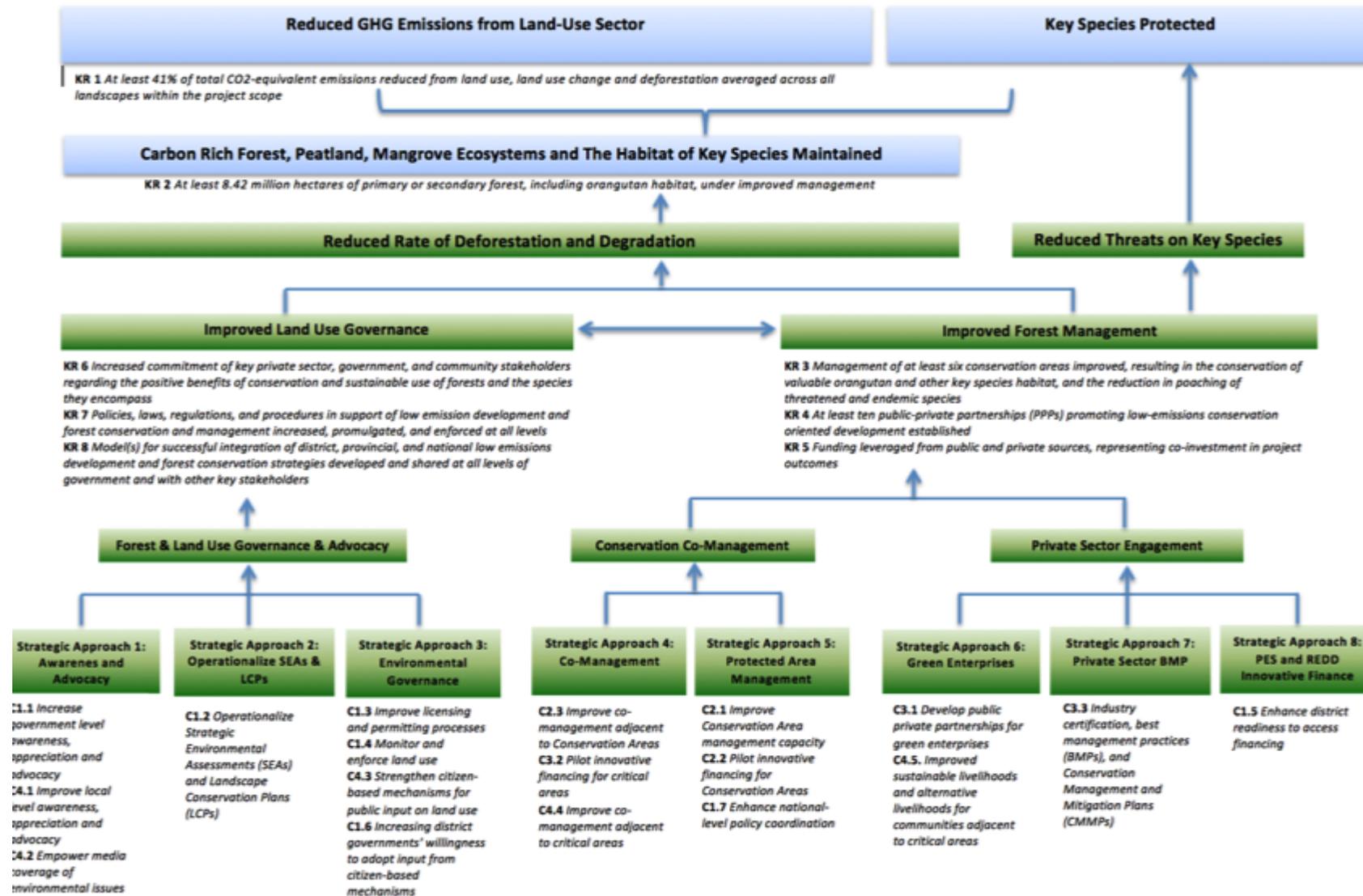
APPENDIX

APPENDIX 1: LESTARI PROGRESS FOR FIRST QUARTER – YEAR 1

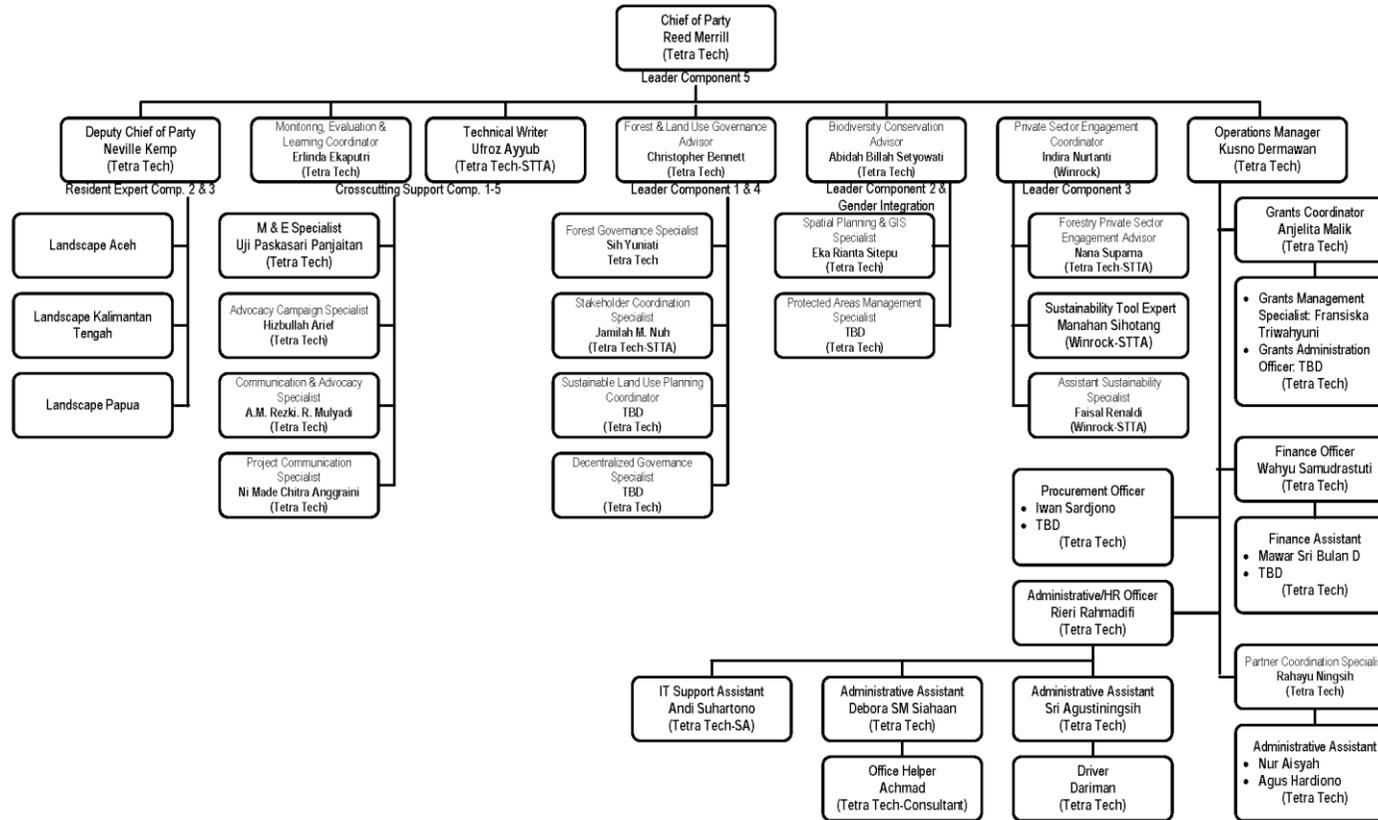
Indicator	Target of Work Plan 2016	Actual (Q1)	% of Completion (Actual vs Target)
#1 – Percentage reduction in GHG emissions as a result of USG assistance measured using actual emissions compared to REL (Outcome – <i>contributes to FACTS 4.8-7</i>)	Not measured	Not measured	-
#2 – Number of hectares of biological significance and/or natural resources under improved natural resource management as a result of USG assistance (Outcome – <i>FACTS 4.8.1-26</i>)	Not measured	Not measured	-
#3 – Percentage reduction in poaching (Outcome)	Not measured	Not measured	-
#4 – Number of models for successful integration of district, provincial, and national low emissions development and forest conservation strategies developed and shared at all levels of government and with other key stakeholders (Outcome)	2	0	0%
#5 – Number of public policies addressing climate change and/or biodiversity conservation introduced, changed, or adopted consistent with citizen input (Outcome – <i>contributes to FACTS 2.4.1-12 and FACTS 4.8.2-28</i>)	3	0	0%
#6 - Number of districts with improved licensing and permitting mechanism (Outcome)	Not measured	Not measured	-
#7 - Number of districts incorporating high quality SEA-LEDS & LCPs into draft spatial plans and mid-term development plan (Outcome)	2	0	0%
#8 - Number of Multi Stakeholder Forum (MSF) operational as citizen based mechanisms for public input on land use (Outcome)	2	0	0%
#9 - Number of community champions engaged in advocacy interventions (Output)	50	0	0%
#10 - Number of people reached by LESTARI communication programs to improve awareness and understanding of LEDS and biodiversity conservation (Output)	1,000	0	0%
#11 - Number of Conservation Areas (CAs) with at least 70 point in METT scores across LESTARI landscapes (Outcome)	Not measured	Not measured	-

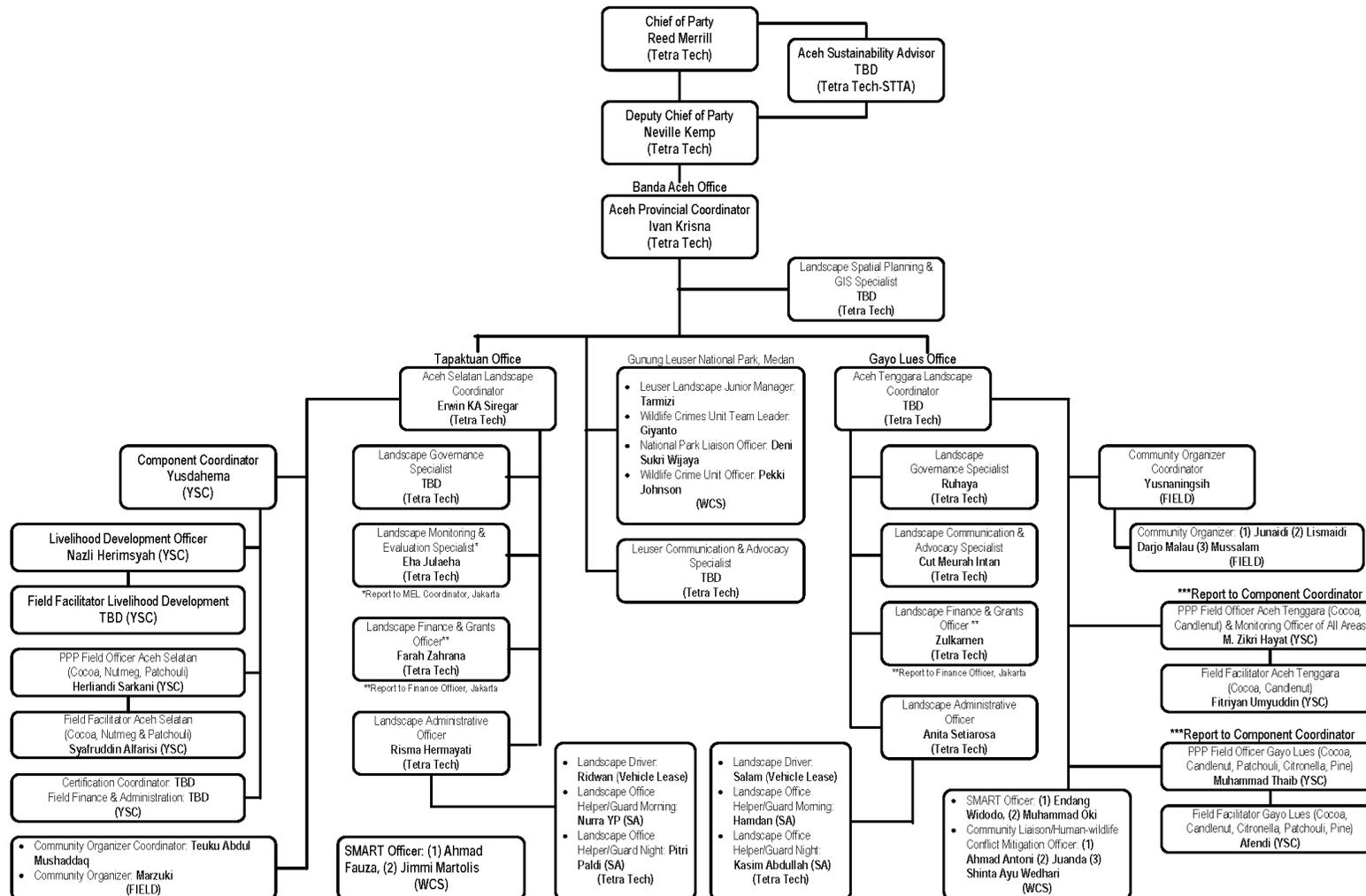
#12 - Number of co-management agreements signed that secure community rights and benefits (Output)	0	0	0%
#13 - Number of people receiving USG supported training in natural resources management and/or biodiversity conservation (Output – <i>FACTS 4.8.1-27</i>)	1,000	20	2%
#14 - Amount of investment mobilized (in USD) from public and private sources for climate change as a result of USG assistance (Outcome – <i>FACTS 4.8.2-10</i>)	2,000,000	0	0%
#15 - Number of people with improved economic benefits derived from conservation and sustainable use of forest resources (Outcome – <i>contributes to FACTS 4.8.1-6</i>)	0	0	0%
#16 - Number of private sector firms that have improved management practices as a result of USG assistance (Outcome – <i>FACTS 4.6.2-9</i>)	2	0	0%
#17 - Number of new USG-supported public-private partnerships (PPPs) formed	3	0	0%

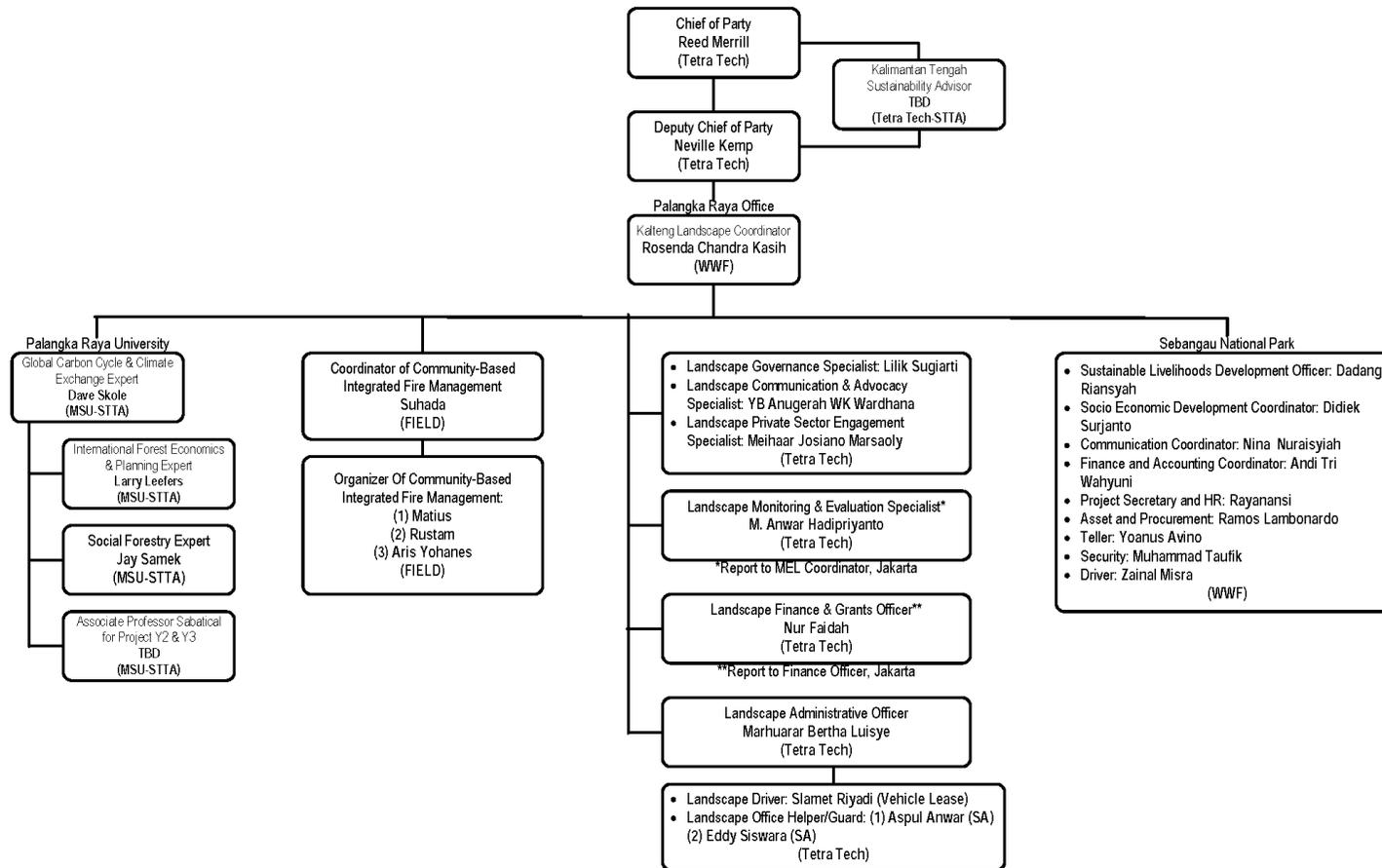
APPENDIX 2: LESTARI RESULTS FRAMEWORK

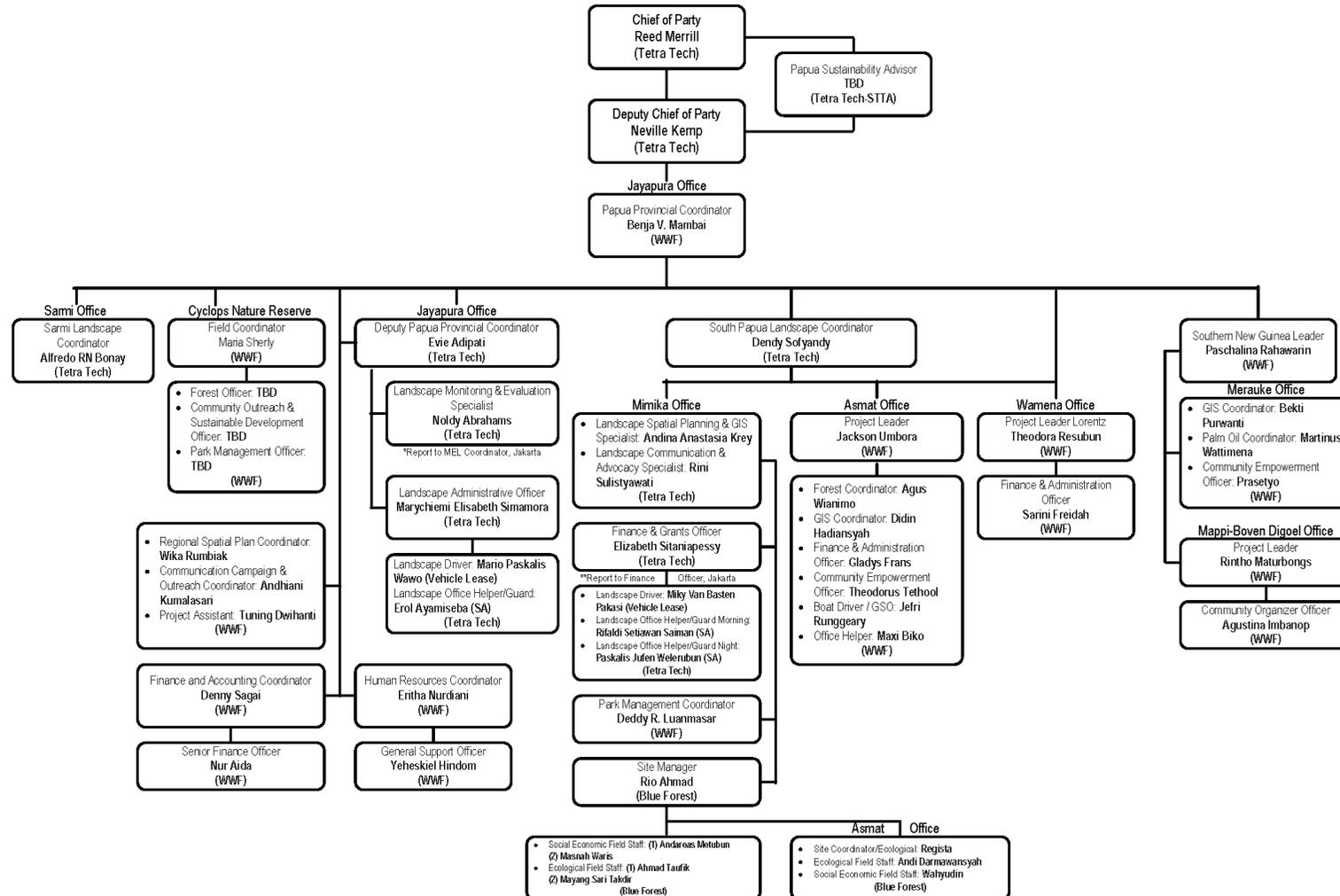


APPENDIX 3: STAFFING PLAN









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