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ORANGUTAN CONSERVATION SERVICES PROGRAM

PROGRESS REPORT QUARTER NINE

APRIL 1, 2009 – JUNE 30, 2009

Progress Report: Quarter Nine

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April 1, 2009 – June 30, 2009



USAID – DAI Contract No. 497-C-00-07-00016-00

ORANGUTAN CONSERVATION SERVICES PROGRAM

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Abbreviations and Acronyms

APTRSU	Alliance for North Sumatra Spatial Planning (<i>Aliansi Peduli Tataruang Sumatra</i>)
ASEAN-WEN	ASEAN - Wildlife Enforcement Network
BIKAL	Foundation to Build the Environment (<i>Yayasan Bina Kelola Lingkungan</i>)
BKSDA	Natural Resources Conservation Agency, Ministry of Forestry (<i>Balai Konservasi Sumber Daya Alam</i>)
BLH	Provincial Environment Department (<i>Badan Lingkungan Hidup</i>)
CIFOR	Center for International Forestry Research
CITES	Convention on International Trade in Endangered Species
CKNP	Coalition for Kutai National Park
CSR	Corporate Social Responsibility
DAI	Development Alternatives, Inc.
DKD	Provincial Forestry Council (<i>Dewan Kehutanan Daerah</i>)
DKN	National Forestry Council (<i>Dewan Kehutanan Nasional</i>)
FFI	Fauna and Flora International
FOKUS	Forum Orangutan Northern Sumatra
FORINA	Forum Orangutan Indonesia
HCVF	High Conservation Value Forest
ICITAP	International Criminal Investigative Training Assistance Program
KORAN	Orangutan Conservation Forum (<i>Forum Konservasi Orangutan</i>)
KPH	Coalition to save local forests (<i>Koalisi Peduli Hutan</i>)
KPHS	Coalition of Friends for the North Sumatran Forest (<i>Koalisi Peduli Hutan Sumatra Utara</i>)
KPSL	Coalition for the Protection of Wild Animals (<i>Koalisi Perlindungan Satwa Liar Dilindungi</i>)
MCV	Model Conservation Village (<i>Model Desa Konservasi</i>)
MoF	Ministry of Forestry
NGO	Non Governmental Organization
OCSP	Orangutan Conservation Services Program
OFI	Orangutan Foundation International
PERDA	District decree (<i>Peraturan Daerah</i>)
PERKAM	Village decree (<i>Peraturan Kampung</i>)
PES	Payment for environmental services
PJL	Ministry of Forestry's unit on payment for environmental services (<i>Pembayaran untuk Jasa Lingkungan</i>)
PM	Wehea community organization (<i>Petkuq Mehuy</i>)
PSSF	Private-Sector Sustainability Facility
REDD	Reduced Emissions from Deforestation and Degradation
RPTN	National Park Management Plan (<i>Rencana Pengelolaan Taman Nasional</i>)
RTRWP	East Kalimantan Land-Use Plan
SPORC	Ranger Quick Response Unit (<i>Satuan Khusus Polisi Kehutanan Reaksi Cepat</i>)
TFCA	Tropical Forest Conservation Act
TNC	The Nature Conservancy
TNGL	Gunung Leuser National Park (<i>Taman Nasional Gunung Leuser</i>)
TNTP	Tanjung Puting National Park (<i>Taman Nasional Tanjung Puting</i>)
USAID	United States Agency for International Development
UU	National law (<i>Undang Undang</i>)
WBTFB	West Batang Toru Forest Block

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WE World Education

CHAPTER I: EXECUTIVE SUMMARY

This report is the ninth Quarterly Progress Report for the Orangutan Conservation Services Project (OCSP). It covers the period April 1, 2009 to June 30, 2009

The report provides over-arching achievements, descriptions of progress in each program component and details of significant upcoming events.

Highlights

1. Completed the audit process for 9 grantees and prepared the report of the audit results for all the grantees.
2. On April 17, 2009 Yayasan Ecosystem Lestari conducted a presentation to the Ministry of Forestry in Jakarta to explain the need to reclassify Batang Toru Forest Block as protected forest.
3. OCSP has been involved in several Gunung Leuser National Park roundtable meetings and hosted one of these on April 28, 2009. This roundtable meeting helped to increase collaboration among stakeholders near the Park.
4. OCSP also facilitated a Gunung Leuser National Park meeting on May 7, 2009 to coordinate revision of their Park management zonation plan.
5. A Regional Consultation Workshop focused on evaluating relevant gaps in policy and legislation was held in Palangkaraya on 28 April 2009.
6. OCSP partner, Alive Consortium, conducted meetings with government agencies of Langkat District in North Sumatra on May 5, 2009 to gain local government support for implementation of the Community Action Plans and increase coordination of planned activities with government agencies.
7. OCSP conducted micro-spatial planning surveys and land-use maps for three model conservation villages in Aceh Selatan District of Sumatra from May 11-15, 2009.
8. OCSP conducted a discussion on the Indonesian Sylva Culture System (*Tebang Pilih Tanam Indonesia*) in a workshop, May 18-20, 2009, that focused on training NGO participants from Aceh and North Sumatra provinces to monitor timber concessionaire performance on Government of Indonesia Legality & Verification requirements.
9. On May 22–24, 2009, OCSP grantee, Pusaka, conducted a Conservation Festival in Pakpak Bharat District of North Sumatra to support their Model Conservation Village program. The local community from six villages presented their programs and encouraged local government to support their Community Action Plans.
10. A workshop was held on June 23-24, 2009 that focused on providing information on sustainable financing mechanisms for the conservation of the Batang Toru Forest Block.
11. OCSP participated in the Environment and Corporate Social Responsibility Expo 2009 in Pekanbaru, North Sumatra, 24-28 June 2009. The provincial Vice Governor visited the OCSP booth.
12. The Orangutan Conservation Forum in East Kalimantan was launched.
13. The orangutan survey in Kalimantan was originally scheduled to be completed by August, however due to technical and logistic problems faced by the partner organizations, it may conclude in September or October.
14. A coalition to support the Kutai National Park Management Plan development and implementation was established, called the “Coalition for Kutai National Park”.
15. OCSP partner organization that manages the Weheha community forest in East Kalimantan was awarded Indonesia’s most prestigious environmental prize by the Indonesian president.

Upcoming events

1. OCSP will conduct a Self-Assessment Survey in July 2009 to begin its assessment of the annual achievements of OCSP.

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2. In August 2008, OCSP will hold a staff retreat to improve understanding of OCSP's components, goals, desired outcomes, and identify ways in which each staff can increase their contribution to the program.
3. OCSP will participate in a forest management policy review lead by the National Forestry Council to improve enforcement of laws and regulations that combat habitat destruction and other threats to orangutan populations.
4. The Performance Monitoring Plan of the Private Sector Sustainability Facility will be finalized.
5. The National Consultation for Forest Conservation Policy Review will be held in Jakarta in 25-26 August 2009.

CHAPTER 2: STATEMENT OF PURPOSE

The two species of orangutan (*Pongo pygmaeus* in Borneo and *P. abelli* in Sumatra) are classified as “endangered” and “critically endangered” respectively. In Sumatra, some 6,500 orangutans survive, but only six populations exceed 250 individuals—the likely minimum viable population size. In Borneo, 40,000 to 50,000 animals remain but are in approximately 50 geographically isolated populations. Orangutan populations have been drastically reduced over the past few decades. The main reason is forest habitat loss, particularly since 1998.

During the Suharto era, forest was lost through large-scale conversion, fire and unsustainable timber harvesting. Following the end of Suharto in 1998, many powers were decentralized. Some forestry and plantation licensing came under district and provincial authority, and the loss of habitat increased. The large-scale political, social and economic changes led to rapid conversion of forests and increased degradation of natural resources. Opportunistic business interests took advantage of political power struggles for financial gain with little regards for the future impacts of these actions on the economy, environment, or quality of life for local communities.

Local authorities, in turn, have been driven by economic motives to overexploit their resources to meet constituents’ demands for rapid development. In many regions, forests and other natural resources are being mined to finance short-term economic growth at the expense of longer-term sustainable development. This has led to very high rates of forest loss. Between 1990 and 2004, for example, some 3,122 km² of habitat disappeared from Borneo alone. If the habitat loss continues at the same rate, orangutans could be extinct in the wild before 2050.

Orangutans and their forest habitat are genuine assets, and their conservation creates environmental and economic benefits for Indonesians. Moreover, orangutans are flagship species that symbolize conservation efforts throughout Indonesia. Their continued presence in the wild requires commitment and support of multiple actors working at national, regional and local levels. Lessons learned from local efforts must inform national policy, just as better policies must spur implementation activities in and around remaining habitats. In this regard, saving orangutans is about conserving forest habitat and reducing the main threats to their numbers in those forests. Sustainability of conservation efforts can only be accomplished through sound management, effective law enforcement, creative partnerships, successful public outreach, communications, and sustained financing.

CHAPTER 3: ORANGUTAN CONSERVATION SERVICES PROGRAM OVERVIEW



OCSP Team

The Orangutan Conservation Services Project (OCSP), contract No. 497-C-00-07-00016-00, is a USAID-sponsored program that runs through September 30, 2009. OCSP is the key biodiversity conservation program of USAID/Indonesia and directly contributes to USAID's environmental and biodiversity objectives. The program is administered under the Basic Human Services Office of USAID, which includes an interlinking set of health, environment, food security/nutrition and avian influenza programs. OCSP is a consortium lead by Development Alternatives, Inc. (DAI) with subcontracts to Orangutan Foundation International (OFI) and The Nature Conservancy (TNC). Its offices are located in Jakarta, Medan and Balikpapan.

OCSP is a crisis-response program that aims to maximize protection and long-term survival of viable orangutan populations in the wild. The program works to arrest, reduce or eliminate threats to orangutans as well as address the major drivers behind those threats. The main drivers of orangutan habitat loss and population decline include forest conversion, unsustainable logging, and wildlife trafficking.

The program is implemented by DAI, together with key partners, subcontractors and sub-grantees to achieve five major components:

1. Improved **management and conservation** of strategic wild orangutan populations and their habitats;
2. Improved **enforcement** of laws and regulations that combat habitat destruction and other threats to wild orangutan populations;
3. **Partnerships** that improve coordination and liaison among stakeholders engaged in conservation of wild orangutan population;

4. Improved **outreach and communications** that builds commitment and support for orangutan conservation; and
5. Sustainable **financing**.

OCSF focuses on selected sites with orangutan populations in Sumatra and Kalimantan, Indonesian Borneo. It addresses threats at the site level by strengthening conservation practices, enforcement and spatial planning. The Program works at both the local and national levels to: improve enforcement of existing laws that protect habitat and orangutans; create mechanisms for long-term conservation financing; strengthen partnerships and coordination of conservation organizations, private-sector entities, community groups, and government agencies; and broaden awareness of issues in orangutan conservation through national and international media and public education campaigns.

In March 2009, USAID added a sixth component to the OCSF. The **Private-Sector Sustainability Facility (PSSF)** focuses on strengthening private-sector partnerships for forest and biodiversity conservation. PSSF is targeted at advancing the engagement of the private sector in orangutan conservation initiatives. This will be done by:

- Developing a set of best-management practices for orangutan in four major forest concession types and implementing these best practices in pilot concessions and landscapes;
- Engaging financial institutions to deploy specific screening tools to encourage sustainable investments within orangutan habitat; and
- Capitalizing on and encouraging existing trends in Indonesia towards the valuation of natural resources.

CHAPTER 4: PROGRESS TOWARDS MAIN OCSP COMPONENT OUTCOMES

Grants Management

OCSP is implementing 13 grants totaling \$2,225,000 over the life of the project. As of June 2009, total money disbursed was \$1,295,192. Two grants have been closed, and the 11 remaining grantees are made up of local and international non-governmental organizations (NGOs) working in North Sumatra, Kalimantan and Jakarta. In addition to lead grantees, some of the OCSP activities are led by sub-grantees or are part of consortia with other NGOs.

Regional Consultation Workshop

A Regional Consultation Workshop focused on evaluating relevant gaps in policy and legislation was held in Palangkaraya on 28 April 2009. The workshop was attended by 62 people (57 men and 5 women) with 35 government staff, 4 academics, 17 NGOs representatives, 3 private-sector people, and 3 journalists. The key points from the regional consultation workshop were:

- Conservation policy needs to be updated and able to accommodate the various stakeholders.
- A legal foundation is needed for local conservation, local wisdom, and customary law.
- An assertive provision for community involvement in conservation (rights and obligations) is needed to create space for collaborative management and enhance community participation in implementing the conservation of natural resources.
- Strong protected species habitat protection legislation is needed that includes specific utilization plans for forest concessions, plantations, and mines.
- The list of Indonesian protected species should be in line with the global CITES list.
- Policies are needed for natural resource use with clear criteria and indicators to distinguish commercial from traditional usage (including for cultural elements).
- Good communication between law enforcement agencies are needed so that there is less confusion and contradiction in the understanding of conservation regulations.

Project Monitoring and Evaluation

OCSP is conducting audits of the 11 grantee programs that operated from February 2008 to February 2009. These program audits are done in accordance with U.S. Government Auditing Standards. The program audit is to ensure that both programmatic and financial components follow USAID regulations and match OCSP deliverables for the period February 2008 to February 2009.

The results of the grantee program audits are as follows:

- 3 out of 11 grantees achieved good technical performance.
- 4 out of 11 grantees achieved good administration and finance performance.
- 4 out of 11 grantees were poor in technical, administration and finance performance.

The result shows that local NGOs are able to compete with international NGOs in grant implementation.

The grant audit team recommended that:

- 4 grantees are extended with cost.
- 2 grantees are extended with no cost.
- 5 grantees not be continued.

From the grant implementation, OCSP has learned that:

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- The best proposal is no guarantee of good implementation in the field.
- Most of grantees felt that the regulations for implementing the grant were too complicated.
- Technical and financial monitoring should be improved on the OCSP side.

Component I. Improved management and conservation of strategic wild orangutan populations and their habitats.

C	A	S	COMPONENTS, ACTIVITIES, SUB-ACTIVITIES	RESOURCE	INDICATOR	TARGET	THIS QUARTER
I			Improved management and conservation of strategic wild orangutan populations and their habitats		Number of additional hectares of priority orangutan habitat that are protected or sustainably managed.	50,000 ha in Sumatra and 300,000 ha in Kalimantan	
I	I		Build capacity for regional and local authorities to engage in spatial planning that conserves forests harboring orangutan populations	OCSP staff & stakeholders	Number of local spatial plans recognizing orangutan areas for conservation	At least 4 regional or local government land-use plans that are influenced by OCSP orangutan strategic conservation plans	<p>Provided input to two government land-use plans in Northern Sumatra.</p> <p>Built support for a trust fund to pay for the implementation of the forest block action plan that will determine land use</p> <p>Completed a detailed forest-cover assessment in East Kalimantan</p>
I	2		Support local conservation efforts through coordinated multi-stakeholder approach to orangutan habitat protection and management	OCSP staff, local gov't, grantees/ partners	Number of collaborative initiatives or management action plans created	At least 2 management action plans, working groups, council, or authorities created through collaboration between key stakeholders.	<p>One action plan approved and ready for printing (WBTFB)</p> <p>Established "Coalition for Kutai National Park"</p>

C	A	S	COMPONENTS, ACTIVITIES, SUB-ACTIVITIES	RESOURCE	INDICATOR	TARGET	THIS QUARTER
I	3		Implement orangutan habitat conservation program in the Berau and East Kutai Districts of East Kalimantan	OCSP staff, subcontractor and grantees/ partners	Percentage of priority orangutan habitat in Berau East Kutai that is under improved management	15% Percent of priority orangutan habitat is under improved management	In progress
I	4		Implement orangutan habitat conservation program in Tanjung Puting National Park, Central Kalimantan	OFI/WE/ OCSP	Percentage of priority orangutan habitat in Tanjung Puting National park under improved management	10% Percent of priority orangutan habitat in Tanjung Puting National Park is under improved management	In progress
I	5		Implement orangutan habitat conservation program in a large, multifunctional forest area in Kalimantan	FFI grant/ TNC sub-contract/ OCSP	Percentage of priority orangutan habitat in a large multifunctional landscape in West Kalimantan that is under improved conservation management	5% of priority orangutan habitat in multifunction forest in Kalbar is under improved conservation management	In progress

I.1. Build capacity for regional and local authorities to engage in spatial planning that conserves forests harboring orangutan populations

Sumatra

Threat analysis for Dairi & Pakpak Bharat Districts. OCSP has previously prepared conservation GIS spatial planning maps for North Sumatra. These maps were combined with a state-of-the-environment study commissioned by OCSP for the Dairi-Pakpak Bharat Forest Block to produce a threat analysis of the forest block. This analysis was conducted for the OCSP Private-Sector Sustainability Facility and follows the approach used for a similar threat analysis carried out by the Private-Sector Sustainability Facility for Kutai National Park in East Kalimantan.

Assisting governments to review spatial plans. OCSP has been heavily involved with the process of reviewing the district, provincial, and Sumatra island spatial plans to ensure that they optimize conservation of forests required by orangutan. To do this, the Alliance of North Sumatra Spatial Planning (APTRSU/*Aliansi Peduli Tataruang Sumatra*)—a civil society alliance facilitated by OCSP—was actively involved in North Sumatra’s forest status meeting May 18-20, 2009 called by the Ministry of Forestry (MoF) and the North Sumatra Provincial Government. In this meeting, the Alliance presented arguments in support of each forest block reallocation case proposed by the government. This meeting was followed up by a presentation of the North Sumatra Forest Reallocation Proposal to the MoF in Jakarta on May 25, 2009. Because the release of the new ministerial decree on forest allocation in North Sumatra has been postponed, the revision process for both provincial and district spatial plans has also been delayed. Encouragingly, the North Sumatra Provincial Development Planning Board (Bappeda) continues to consult closely with Alliance technical team members and has invited them to attend relevant meetings and participate in the spatial planning revisions for North Sumatra districts.

As members of the province’s technical evaluation team for the revision of district spatial plans, the Alliance is also actively involved in evaluation of the Medan Metropolitan Spatial Plan (*Medan Binjai Deliserdang Karo*). Although this spatial plan does not deal with orangutan habitat, OCSP helped the Alliance to develop a critique of the plan and assisted with input during the meeting. The process and logic applied to spatial planning in this leading metropolitan area is expected to set an example for improved spatial planning in other districts that do contain orangutan.

OCSP also represented USAID at a workshop on a Roadmap to Save the Sumatra Ecosystem, held in Hotel Borobudur, Jakarta, on June 26, 2009. In that workshop, all governors in Sumatra signed an agreement to save the Sumatra ecosystem. OCSP was also invited to comment on the final draft report as well as include information on the OCSP Model Conservation Villages, protocols to assess and review forest status, and local institutions that are involved in the management of forest areas.

Finally, OCSP grantee, Yayasan Ecosystem Lestari, informed management staff at both sub-district and district levels of the results of their survey of reasons to establish a nature corridor to link the Batang Toru Forest block with adjacent forest blocks.

Kalimantan

Provide recommendations for a conservation-sensitive review of district spatial plans to local government and parliament in East Kalimantan.

Both Lesan and Wehea forests has been recognized and integrated into district spatial plans as well as included in the East Kalimantan Land-Use Plan (RTRWP). This land-use plan has been submitted to and is currently being assessed by the Ministry of Forestry.

The next step to legalize the RTRWP, which is mandated to be finished this year by law 26/2007 on Spatial Planning, will include: finalizing the draft by early August; holding a public hearing (August 2009); revising the draft by the Ministry of Forestry (August 2009); and a hearing and endorsement by the National Parliament (September 2009).

Forest cover monitoring in Kalimantan. During this reporting period, activities conducted included:

- Forest monitoring for most areas of interest in East Kalimantan has been completed.
- Forest monitoring for West and Central Kalimantan is under way, with a short-term consultant currently reviewing the interpretation result of satellite imageries.
- Detailed accuracy assessments of Wehea and Lesan forest cover from the 2005/06 interpretation work has been completed.

Develop/implement new orangutan survey methods. The Kalimantan-wide orangutan survey by TNC in collaboration with roughly 18 organizations remains ongoing. As of June 2009, the survey in East Kalimantan has been completed in 14 of 75 planned villages. In Berau and Kutai Kertanegara districts, the villages have been surveyed by the local NGOs, Bebsic and Bioma.

The orangutan survey in Kalimantan was originally scheduled to be completed by August, however due to technical and logistic problems faced by the partner organizations it may be completed in September or October.

1.2. Support local conservation efforts through coordinated multi-stakeholders approach to orangutan habitat protection and management



West Batang Toru Forest Block, North Sumatra

National

At the national level, the Minister of Forestry asked the Kutai National Park authority to complete its 20-year management plan, known as the “*Rencana Pengelolaan Taman Nasional*” (RPTN) by the end of 2009. The details on the plan development are in the “Kalimantan” section below.

A meeting was organized at the Directorate of Conservation Areas within the Ministry of Forestry to review the Kutai National Park zonation concept. The meeting participants revised the zonation concept and agreed, among other things, to visit Halimun Salak National Park for information exchange and capture lesson learned in developing a national park management plan and a park zonation plan.

Sumatra

West Batang Toru Forest Block conservation management. A number of initiatives were carried out by OCSP and its local partner Yayasan Ecosystem Lestari to support the implementation of the West Batang Toru Action Plan and to raise the profile for the need to conserve biological values in the West Batang Toru Forest Block. These initiatives included completion of the layout of a booklet on conservation and assessing possible livelihood interventions for the local community that has traditionally conserved this forest block.

Yayasan Ecosystem Lestari gave a presentation on April 17, 2009 to the Ministry of Forestry in Jakarta to promote the need to reclassify the West Batang Toru Forest Block as a protected forest. The heads of forestry units in the provincial and districts governments of North Sumatra attended the presentation

to voice their support. Yayasan Ecosystem Lestari followed up on April 20, 2009 with a national conservation expo in the Jakarta Hilton Convention Center. The Ministry of Forestry stated that it will now evaluate the Yayasan Ecosystem Lestari technical proposal. The West Batang Toru Forest Block Action Plan is now ready, following USAID approval, for printing in Medan. Additionally, several activities in this Action Plan were conducted, including a preliminary survey of paddy field production and fuelwood demand in villages in the southern part of the forest block.

Approval was obtained from USAID to purchase satellite SPOT imagery of the Batang Toru Forest Block areas. The provider has tried several times to capture the necessary image, but to date, it has been obscured by clouds and smog.

Collaborative conservation management authority for Batang Toru Forest Block, North Sumatra. OCSP has previously developed a multi-stakeholder conservation action plan for the Batang Toru Forest Block. As a necessary follow up, OCSP facilitated a number of meetings and several large workshops as part of a process to gain support for a multi-stakeholder collaborative management body for the Batang Toru Forest Block. The first of these large workshops combined presentations by a number of organizations on the successful establishment of collaborative conservation management bodies in Indonesia.

The second workshop was held June 23-24, 2009 and focused on providing information on sustainable financing mechanisms for the conservation of the Batang Toru Forest Block. Most participants were from local governments, local community representations, NGOs, and the private sector. The six invited keynote speakers presented on finance mechanisms that have been used elsewhere in Indonesia:

- The Indonesia Business Link discussed the latest corporate social responsibility developments in Indonesia, particularly regarding the new government regulation mandating corporate social responsibility for all private companies (The term in Indonesian is “PT”).
- Yayasan Kehati provided information on ‘Green Investments’ through cash, bonds, stocks/equities, mutual funds and venture capital. Kehati is also developing a new index on the Indonesian stock exchange, called Kehati SRI Index, in support of Green Investments.
- The World Agroforestry Center (ICRAF) provided details on a ‘payment for environmental services’ mechanism in their Sumatran RUPES Project that rewards upland poor villagers for maintaining environmental services. They shared their experiences in developing other payment for environmental services programs in Nepal, Philippines and Indonesia.
- Fauna & Flora International (FFI) discussed use of the voluntary carbon trade markets to achieve reduced emissions from deforestation and degradation of forests (REDD). They shared their experience in developing this scheme in Kalimantan and Aceh as well as outlining a potential strategy for Batang Toru Forest Block.
- Conservation International presented information on a recent debt-for-nature swap in Indonesia through the US Tropical Forest Conservation Act (TFCA). They stated that Batang Toru Forest Block is eligible to receive funds from the debt-for-nature swap. Funding may be accessed by NGOs, local community organizations and universities. The formal launch of this program will be in August or September 2009.
- Burung Indonesia explained their ecosystem restoration concession developments in Jambi province.

The conclusion from the workshop is that sustainable funding for conservation of the Batang Toru Forest Block requires establishment of a trust fund. Potential sources of finance for this fund are most likely from payments for environmental services and corporate social responsibility. Participants considered that the new US-Indonesia debt-for-nature program could be asked to assist with

establishing the fund, in particular to identify collaborative institutions to assist with its development and operational management.

The participants discussed ways to assist in: developing internal agreements and mechanisms to establish payments for environmental services (PES) and corporate social responsibility (CSR); preparing and designing a carbon trade mechanism; proposing and initiating permits for the restoration of damaged ecosystems; and the establishment of ecotourism concessions. To manage the trust fund, meeting participants identified two alternatives: (a) establish a foundation to manage a “Batang Toru Forest Block Conservation Fund” and identify a grant mechanism; or (b) work through an institution with an existing funding mechanism to manage the conservation fund. Experienced Indonesian organizations include Yayasan Kehati. This workshop also identified a pathway (presented below) for developing the sustainable financial mechanisms to conserve the Batang Toru Forest Block.



Workshop on financing mechanisms for the conservation of the Batang Toru Forest Block

Gunung Leuser National Park management zonation. OCSF facilitated a Balai Besar Gunung Leuser National Park meeting on May 7, 2009 to coordinate revision of their park management zonation plan. The participants identified additional data requiring collection and further consultation meetings required to develop a final draft plan.

Model conservation villages. OCSF partner, Alive Consortium, conducted meetings with government agencies of North Sumatra’s Langkat District (e.g., *Dinas Pertanian dan Peternakan, Dinas Kehutanan, and Perkebunan*) on May 5, 2009. These meetings were to gain local government support for implementation of the Community Action Plans and increase coordination of planned activities with government agencies. In these meetings, local government officials were very responsive and offered support for these plans.



Revision of Gunung Leuser National Park zonation plan

OCSF grantee, Pusaka, conducted a Conservation Festival in Desa Sukaramai, Pakpak Bharat District on May 22–24, 2009 to support their Model Conservation Village (MCV) program. The local community from six villages presented their programs and encouraged local government to support their Community Action Plans. This festival was opened by the first assistant district leader of Pakpak Bharat. Community members from Yayasan Orangutan Indonesia and World Education sites in Kalimantan participated in this festival through the invitation of OCSF. This was part of an ongoing cross-fertilization

of OCSP communication activities between Sumatra and Kalimantan. On June 18-20, 2009, Pusaka also conducted a workshop to monitor and evaluate their OCSP Grant Program. This workshop was attended by grantee staff, project management, and local government. Lessons learned and recommendations for the future MCV program were identified.

OCSP conducted micro-spatial planning surveys and land-use maps for three MCVs in Aceh Selatan District from May 11-15, 2009.



Aceh micro-spatial planning surveys and land-use maps

A draft of a booklet describing the development of MCVs in northern Sumatra by OCSP is well advanced. This booklet will provide lessons learned as well as a discussion of village-level legal issues related to the rights and responsibilities of villagers for natural resource management, including conservation of orangutan.

Kalimantan

Wehea's strategic collaborative management plan is in progress. The collaborative conservation efforts in Wehea are coordinated by the Management Body of Wehea and involve the district government, local community, and business players in East Kutai in the area's management.

Coalition for Kutai National Park, park management plan, and zonation concept. A coalition to support the Kutai National Park Management Plan development and implementation was established, called the "Coalition for Kutai National Park". It consists of OCSP, TNC, Yayasan Bina Kelola Lingkungan, Indonesian Environmental Information Center, Center for International Forestry Research (CIFOR), Kawal Borneo Community Foundation, Fauna and Flora International, and the Natural Resource Law Institute, East Kalimantan.

The Minister of Forestry asked the Kutai National Park authority to complete its 20-year management plan, known as the *Rencana Pengelolaan Taman Nasional (RPTN)* by the end of 2009. The park authority is currently working with the Friends of Kutai (a private-sector forum) and the Coalition for Kutai National Park (described above) to prepare the document. From April to June 2009, a series of meetings were held to discuss the development of the management plan, and the Head of Kutai National Park established a team to lead the development of the management plan and conduct a series of public consultations. The team members consist of park staff, local NGOs, OCSP, CIFOR, some independent researchers, and the heads of local government agencies from Bontang, East Kutai and Kutai Kartanegara districts.

During this period, the Coalition for Kutai National Park (CKNP) produced a draft concept for park zonation aimed at addressing the social problems and serious tenure conflicts between the park and local community. A focus group discussion was then organized to critically review the park zonation concept and develop a strategy to secure support and buy-in from key stakeholders. The meeting was

organized at the Directorate of Conservation Areas within the Ministry of Forestry. Attendees included Directorate staff, Biro Hukum Dephut, PJJ, the Model Conservation Village team (detailed below), and member of CKNP. The meeting participants revised the zonation concept and agreed to follow-up activities including: 1) aligning and synergizing the zonation concept with the development of Model Conservation Villages; 2) submitting a letter to the Minister of Forestry to gain his support for a zoning plan; and 3) visiting Halimun Salak National Park for information exchange and capturing lesson learned in developing a national park management plan and a park zonation plan.

1.3. Implement orangutan habitat conservation program in the Berau and East Kutai Districts of East Kalimantan

The National Orangutan Action Plan was officially launched in 2007, and following the launch, the Minister of Forestry issued a decree and initiated activities to implement the National Action Plan for Orangutan Conservation 2007–2017. To support the implementation of the plan, a series of multi-stakeholders meetings have been organized in East Kalimantan resulting in the establishment of the Orangutan Conservation Forum in East Kalimantan (*KORAN/Forum Konservasi Orangutan Kaltim*). The forum, which has been legalized by the Decree of the East Kalimantan Governor, consists of a wide range of institutions and individuals in East Kalimantan interested in orangutan, including the Working Group on Orangutan, *Forum Konservasi Multistakeholder*, *Badan Pengelola Wehea*, the Sungai Wain Management Body, the Sungai Lesan Management Body, *Komisi Plasma Nutfah*, Pokja Orangutan Kutai National Park, *Dewan Kehutanan Daerah*, and Friends of Kutai. This forum will serve the parties to share information, lessons learned, and resources as well as synergize their activities for better conservation of orangutan and its habitat in East Kalimantan. Moreover, the establishment of the forum by the Governor’s decree will enable support—political and budgetary—from the government of East Kalimantan to orangutan conservation-related activities.

Apart from the forum, an orangutan mailing list was developed in East Kalimantan to strengthen collaboration and networking between various stakeholders. The list will serve mainly for information exchange.

Activities with companies operating around Kutai National Park, including Sinar Mas Group (pulp and paper), Sumalindo (timber), and PT Indominco (coal), have been initiated to support the conservation of orangutan habitats around the park. One of the ongoing activities is the development of a corridor for orangutan.

Kutai National Park as ICITAP’s pilot project for tackling environmental crime issues. As agreed at the previous workshop on the protection plans for the Kutai National Park ecosystem—attended by all Muspida (Bupatis, Walikota, Kapolres and Dandim) of East Kutai, Bontang and Kutai Kartanegara districts—the International Criminal Investigative Training Assistance Program (ICITAP) conducted an assessment of the support needed to better protect the park, ranging from training and equipments to better law enforcement. The assessment was conducted through various meetings with relevant parties, including Kapolda East Kalimantan, Head of the Natural Resources Conservation Agency (BKSDA) in East Kalimantan, Commander of the Ranger Quick Response Unit (SPORC), the park authority, PT Pertamina, PT Kaltim Prima Coal, village leaders, NGOs, and members of CKNP. The meetings focused on:

- Equipment and infrastructure of Kutai National Park
- Forest police organizational structure and job descriptions
- Layout, enforcement system, ranger routes and planning development

- The encroachment villages into the national park
- The nature of the threats to Kutai National Park

Additionally, the ICITAP team surveyed potential sites for training and teambuilding in Bontang, Samarinda, Balikpapan and Sangata. It also held meetings with conservation and human rights NGOs based in Bontang, Samarinda and Balikpapan.

Environmental branding campaign for Kutai Park. During this quarter activities led by PT ESCOMMS, a private-sector company, prepared for the official launch of an environmental and branding campaign for Kutai National Park. This included the design, production and dissemination of campaign and communication materials in collaboration with the park authority. The company also works closely with selected members of Friends of Kutai to provide advice and produce campaign kits for members.

Several meetings were held to gain both political and financial support for the campaign from key local stakeholders, including with Sultan of Kutai Kingdom in Tenggarong, the provincial governor, district leader and the mayor of Bontang City. As a result of the meetings, many formal and informal leaders have expressed their support for the campaign. The East Kalimantan Governor, for example, has offered the use of meeting room and other resources at the governor office for free. The Mayor of Bontang City also expressed his willingness to be a champion for the campaign and offered the use of some city facilities for the campaign.

Intensive meetings with Leader (*Bupati*) of East Kutai District also led to an encouraging development. The Bupati—who used to be adamant regarding efforts to resolve social and environmental issues at Kutai National Park—is now supportive of the campaign and expressed his enthusiasm to support the campaign more fully in the future. Within this context, he revoked seven permits for sawmills operating inside the national park.

Support for forest management in Kelay, Wahau, and Telen watersheds, including Lesan and Wehea. There has been much effort from April to June 2009 to promote the activities in Wehea to gain national and international recognition, including a campaign, information dissemination, and organizing a series of trip for government officials and other parties to the Wehea forest. As a result of these activities, in June 2009 the Dayak community of Wehea was given the Kalpataru Award—the most prestigious environmental award in Indonesia—for their contribution towards conservation and better management of forest and the environment in Wehea that are supported by several parties, including OCSP.



Indonesian President presenting Kalpataru Award (most prestigious environmental award in Indonesia) to Wehea traditional leader

Lesan

In Lesan, in addition to working with grantee World Education, OCSP also began working to integrate OCSP activities into the wider Berau conservation program ran by The Nature Conservancy (TNC). The current TNC strategy in Berau is promoting Berau as a demonstration site for the reduced emissions from deforestation and degradation (REDD). This effort is anticipated to provide sustainability for conservation efforts in Berau, including the orangutan habitat in Lesan. One of potential sites for the REDD demonstration in Berau District is in the Lesan area, which was declared a protection forest by the District head. TNC has been facilitating the initiation of a REDD Working Group in Berau District. This working group will facilitate all REDD initiatives in Berau. As a multi-stakeholder working group, the REDD working group consists of various district government agencies, NGOs, and community representatives. It has the same structure as the Management Body of Lesan and many of the same members. Since most of the members of the REDD Working Group and the Management Body of Lesan are the same, and Lesan is a likely site for REDD implementation in Berau, OCSP has proposed to morph the Management Body of Lesan into the REDD Working Group of Berau District. This will help ensure that orangutan habitat conservation in Lesan will be a priority for conservation effort in Berau District. The upcoming activities to help with the change include an evaluation of the conservation work in Lesan, and an evaluation of the Management Body of Lesan's strategic plan implementation. Those will be the basis for implementing future conservation efforts in the Lesan area under the REDD Working Group.

Several meetings were organized with the Management Body of Lesan and others to explore opportunities to strengthen the conservation and management of the Lesan forest, such as:

ORANGUTAN CONSERVATION SERVICES PROGRAM

- Developing the Lesan management authority and the strategy for raising funds from local private-sector sources, the government planning agency (from the village development program) and government programs around the Lesan area.
- Supporting the drafting of a Village Development Plan and its alignment with the district development plan.
- An *ad hoc* Management Body Secretariat is preparing a proposal for funding to support the efforts of Village Conservation Rangers (Pekoka).
- Strengthening the promotion of Lesan Forest by the Management Body in collaboration with local government offices, such as tourism and transport.

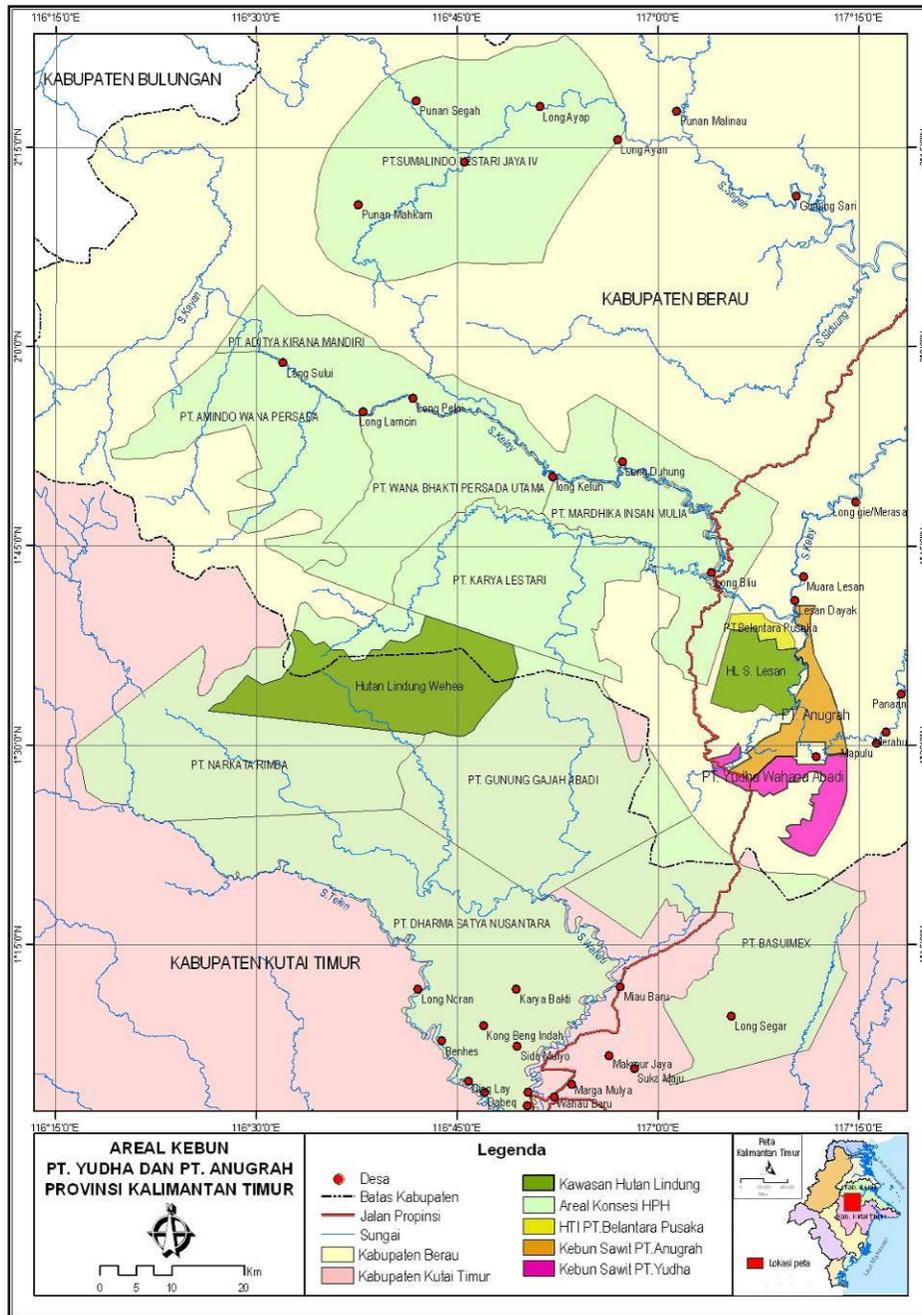
The activities in Lesan forest will also be leveraged through its integration into the overall TNC program that will provide additional resources to empower the Management Body of Lesan.

The draft of the Kampong Regulation (PERKAM) on natural resources management was developed in Berau District's Kelay / Lesan area.

Wehea

Wehea forest is surrounded by timber concession areas and oil-palm plantations. Thus, it is important to develop a system to monitor oil-palm development in the Wehea landscape to ensure protection of the orangutan habitats in Wehea. In this regards the Wehea community organization, known as *Petkuq Mehuy* (PM), has been trained to monitor illegal trade of wildlife by Titian, BKSDA Kaltim, and OCSP. A follow-up of this activity is planned to build further capacity of PM to monitor orangutan within oil-palm plantations around Wehea forest. To support this, a proposal has been submitted and approved by OCSP.

Community-based conservation management is now being implemented in Wehea by the PM under the coordination of the Wehea Management Body.



Map of Wehea forest and timber concessions around it

Apart from the capacity building of PM and assistances to strengthen the management body of Wehea, activities have been conducted to initiate development of a long-term financing mechanism for the operation of the Wehea Management Body and management of the Wehea forest in general. Meetings with private-sector companies and the district government of East Kutai were organized to secure funding from those parties. The Victoria group—owners of hotels in Samarinda and Sangata as well as some larger restaurants in Samarinda—expressed an interest in supporting Wehea management and visited the Wehea forest and Selabing village of Wehea to discuss possible support. After Wehea was given the Kalpataru award by the President, the Royal Victoria Hotel in Sangata renamed their main restaurant “Wehea.”

The strategic next step for Wehea is promoting Wehea as a formal conservation area. This will be started in the development process of the East Kalimantan Province Land Use Plan (RTRWP). Several interventions are also needed to enlarge support from the private sector for Wehea conservation. Direct promotion to the private sector should be more aggressive, such as publishing a promotion booklet on Wehea. At the field level, marking the border between Wehea and the forest concessions is very important as is continuing the activities of the PM.

World Education activities in East Kalimantan

At the field level, the World Education grant was completed. The objectives of the project were to develop a large-scale (>500,000 ha), multi-stakeholder (local communities, private industry and local NGOs) collaborative forest management project that incorporates a forest use zone to minimize the loss of orangutan habitat in Kalimantan, and to initiate adoption of forest management program that guarantee long-term funding and sustainable management. The project began on 20 February 2008 and ended on 20 May 2009. Several targets have been achieved, including the development of draft village regulations on natural resources management. World Education also has facilitated five villages around the Lesan protected forest to develop inter-village working agreement. Eleven persons from these villages have been trained in conflict resolution measures among villages.

The main achievements of the project were as follows:

1. Provided input to the Provincial Spatial Plan Coordination Agency (*Badan Koordinasi Penataan Ruang Daerah – BKPRD*) on the design for an East Kalimantan Provincial Spatial Plan that accommodates biodiversity conservation. This was done for 221,770 ha of protected forest, made up of forest cultivated area and non-forest cultivated area. However, the East Kalimantan Provincial Spatial Plan, has yet to receive approval from the Ministry of Forestry.
2. The project has succeeded in securing collaborative sustainable forest management agreements from three forest concessions in Berau district (PT Mardhika Insan Mulia (47,795 ha), PT Amyndo Wana Persada (39,938 ha) and PT Inhutani I Samarata Unit).

Challenges did persist in coordination of activities by OFI and their sub-grantee, TNC. Several meetings, facilitated by OCSP, were held between the two NGOs, but after short-term progress, the groups reverted back to working independently and weak communication links persisted. Given these challenges, OCSP choose not to extend the grant to OFI to continue this work. In addition to the formal review process that determined and reported this to OFI, The OCSP Chief of Party also provided a informal debrief to a senior level regional manager of OFI and to senior level TNC staff in Indonesia.

1.4. Implement orangutan habitat conservation program in Tanjung Puting National Park (TNTP), Central Kalimantan

Spatial plans & boundaries

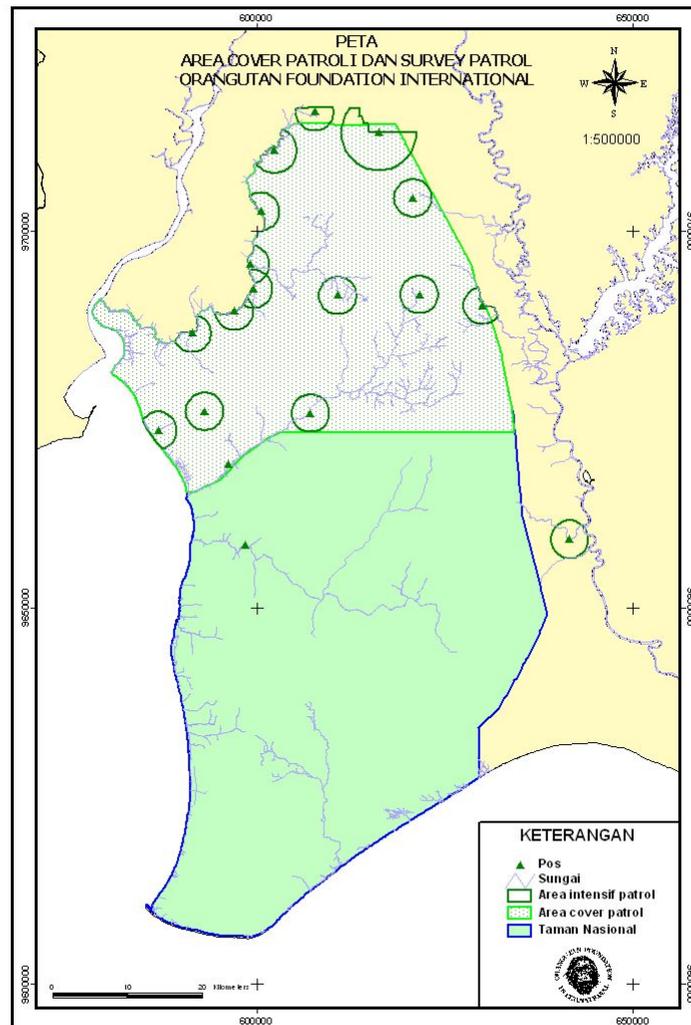
OFI and WE proposed changes in the proposed boundaries in the Provincial Spatial Plan to keep Tanjung Puting National Park intact. The villagers agreed to reduce their claim to just 4 km from the coastline, and to abandon the idea of connecting the villages by road. These agreements were then discussed with Kota Waringin Barat government and the national park office so that they could be accommodated in the provincial spatial plan.

As a result of lobbying by OFI at the national, provincial and district levels, it was agreed that the northern boundary and part of the eastern boundary would revert to the boundaries established in 1977. This results in a potential saving of the loss of territory in the northern and eastern sectors of 13,295 ha.

Patrols

The target World Education and OFI set for their grant was to increase patrols to cover 70% of Tanjung Puting National Park was met. This was achieved by moving the Baung Post (which was done in a manner that fully complied with the IEE) and adding patrol routes in the northern and eastern sectors of the national park (see map below) and increasing their efficiency. Joint patrols are carried out with 30 local people from around Tanjung Puting National Park, along with the forest police and teams formed by Tanjung Puting National Park in each of its management areas.

Reports from patrols have been rapidly responded to by Tanjung Puting National Park Office, SPOHRC, and the district government. A total of 10 forest crimes were reported to OFI over the 15 months of the program.



Improved Livelihoods

WE sought to increase incomes in 8 villages, increases by at least 10% from farming and fishing. They were successful in increasing the incomes of the 58 farming families involved in the program in six villages increased an average of IDR 70,000 - IDR 56,970,000/year/family. Two villages have seen no increase in incomes due to ongoing land disputes with oil palm plantations.

Minimize Forest Fires inside TPNP

Due to a lack of information about the ban on fires and socialization of the ban to local villagers, villagers have had a history of burning to clear farm land. Fire prevention teams set up and implemented a fire prevention plan, but because they lack adequate tools and equipment, fires cannot always be promptly and easily extinguished.

WE was successful in reducing the number of hot spots inside the park by 90% over the previous year. However, there are still frequent forest and land fires in areas bordering the oil palm plantations, and the more land is cleared, the easier the access, both to the national park and areas close to the park.

I.5. Implement orangutan habitat conservation program in a large, multifunctional forest area in Kalimantan

Provide recommendations for a conservation sensitive review of district spatial plans to local government and parliament.

FFI produced technical documents and information kits to the bupati on spatial planning. In addition 17 thematic maps have been developed such as soil classification, rainfall, hydrology, topography, HCVF, and land suitability for oil palm.

High Conservation Value Forest (HCVF) assessment

While high conservation value forest assessments were conducted by FFI in two logging concessions earlier in the grant, they have yet to be undertaken with West Kalimantan oil-palm plantations. Extensive communication was undertaken with two oil palm plantation under PT. SMART to undertake HCVF as means to meet the Roundtable on Sustainable Palm Oil (RSPO) requirement. Ketapang district government fully supports the promotion of RSPO and the formulation of an action plan as a means for companies to achieve it. An RSPO workshop was planned, but after several changes in the schedule it was canceled.

An HCVF assessment was undertaken in Lamandau, C. Kalimantan by Yayorin. No significant progress has been made with HCVF surveys in Arut or Belantikan. FFI, which has an office in Ketapang, has been challenged in coordinating efforts and communicating with their partners in Central Kalimantan.

Component 2. Improved enforcement of laws and regulations that combat habitat destruction and other threats to wild orangutan populations

C	A	S	COMPONENTS, ACTIVITIES, SUB-ACTIVITIES	RESOURCE	INDICATOR	TARGET	THIS QUARTER
2			Improved enforcement of laws and regulations that combat habitat destruction and other threats to wild orangutan populations		Number of hunting and logging violations in and around priority conservation sites that are prosecuted under Indonesian law	At least 3 hunting and logging violations in and around priority conservation sites that are prosecuted under Indonesian law	
2	1		Reinforce national policies that support the conservation of wild orangutan populations and their habitats	OCSP and grantees	Number of relevant laws that are reviewed, redrafted and presented to government	At least 1 protected area and endangered species laws and ordinances reviewed, redrafted and presented to government	Held workshop to review and provide recommended revisions of 5 key national government regulations Reviewed Governor's Decree in North Sumatra on human-animal conflict and made recommendations for revisions
2	2		Facilitate technical support for implementation of national laws and district ordinances that combat habitat and species destruction	OCSP and grantees	Number of local jurisdictions trained in law enforcement	9 local jurisdictions trained in law enforcement	ICITAP team completed East Kalimantan training needs assessment
2	3		Support strengthening of local-level enforcement to combat encroachment and hunting	OCSP and grantees	Number of local entities that support enforcement of orangutan habitat	6 local entities now support enforcement of orangutan habitat by providing information to enforcement authorities on hunting and illegal trading violations in	Three wildlife crimes involving orangutan were reported to the BKSDA West Kalimantan by local entity Titian

C	A	S	COMPONENTS, ACTIVITIES, SUB- ACTIVITIES	RESOURCE	INDICATOR	TARGET	THIS QUARTER
						orangutan habitat and tracking cases	Two wildlife crimes involving orangutan were reported to the BKSDA East Kalimantan by local entity AKAR Kaltim A total of 10 wildlife crimes have been reported by Tanjung Puting patrol units over the life of the program

2.1. Reinforce national policies that support the conservation of wild orangutan populations and their habitats

National review of legislation and policies

OCSF facilitated the Public Consultation Workshop for Reviewing Regulations related to Wildlife Conservation. This included regulations: PP 7/1999 (regulation on plant and wildlife protection); PP 8/1999 (regulation on plant and wildlife utilization); PP 68/1998 (regulation on protected areas); PP 18/1994 (regulation on ecotourism on protected areas); and UU 5/1990 (conservation act). The workshop aimed to collect feedback from specific target groups and develop recommendations to revise the regulations.

OCSF initiated separate discussion between government institutions, such as BKSDA North Sumatra, and NGOs interested in the increase in human-animal conflict across several areas of North Sumatra. As a result, it was decided to review Governor Decree No 522.51/2235.K that calls for a team to anticipate and handle human-wildlife conflict in North Sumatra (*Tim Penanganan dan Penanggulangan Konflik Satwa Liar dengan Manusia di Propinsi Sumatra Utara*). This Decree needs to be synchronized with similar recent Government of Indonesia guidelines based on the Ministry of Forestry Regulation No. 48 / 2008 (*Pedoman Penanggulangan Konflik Antara Manusia Dan Satwa Liar*).

East Kalimantan's Environmental Agency (BLH/*Badan Lingkungan Hidup Provinsi*) has drafted Province Regulation (PERDA) regarding environmental management. The Provincial Forestry Council (DKD/*Dewan Kehutanan Daerah*) of East Kalimantan has also formulated strategic issues relevant to reviews of policies on spatial planning, law enforcement, ecology, and social and institutional strengthening. DKD has also proposed environmental audits for businesses in forestry, mining and plantations. In addition, NGOs members at DKD have reviewed the East Kalimantan Land-Use Plan (RTRWP) and will work with the provincial government—via DKD—to refine the land-use plan.

A meeting on local forestry coalitions (KPH) model was held in Jakarta with the Director General of Planning, National Forestry Council (Agus Setyarso), OCSF (Paul, Jamartin, Arbi, Neil) and USAID (Suzane Billharz). The needed follow up to the meeting is:

1. Communicate the prospect for developing/establishing local forestry coalitions in Kutai/East Kalimantan and Pakpak/North Sumatra and possible coordination of local forestry coalitions in Madina/North Sumatra. Ensure OCSF experience on land council (*forum keruangan*) is included.
2. Sharing OCSF's orangutan spatial habitat distribution in Kalimantan and Sumatra.
3. Communicate OCSF's progress on best-management practice to enrich relevant local forestry coalition guidelines on management planning.

2.2. Facilitate technical support for implementation of national laws and district ordinances that combat habitat and species destruction

Sumatra

OCSF Medan was visited by a US Department of Justice ICITAP representative and its environmental project coordinator. There were several clear opportunities locally for collaboration between OCSF and ICITAP. These related to working at locations identified by OCSF as wildlife crime hotspots in North Sumatra (such as Langkat District), establishing and training local enforcement community

members in model conservation villages, and providing technical assistance with the development of an OCSP SMS/cell phone reporting system. These are being followed up by OCSP.

OCSP, as a member of the Alliance for North Sumatra Spatial Planning (APTRSU), attended the Sumatran island spatial planning coordination meeting. OCSP took the opportunity to inform others at that meeting about the benefits of replicating, on an island scale, OCSP-facilitated strategic conservation spatial plan for Northern Sumatra.

Kalimantan

Working with ICITAP, Park Rangers, SPORC, and Prosecutors in East Kalimantan. The capacity building needs of the Kutai National Park Rangers, Ranger Quick Response Unit (SPORC) of East Kalimantan, and the local prosecutors have been identified by the ICITAP team. Trainings will be implemented starting in November 2009.

As detailed in Activity 1.3 and summarized here, the International Criminal Investigative Training Assistance Program (ICITAP) conducted assessment of the support needed for better protection of the park. The ICITAP team included two investigation trainers from the ASEAN Wildlife Enforcement Network (ASEAN-WEN) who will facilitate the trainings for the park rangers, SPORC, and prosecutors.

The needs assessment was conducted through various meetings with the Head of the Natural Resources Conservation Agency in East Kalimantan, Commander of the Ranger Quick Response Unit (SPORC), park authority, several private-sector companies in the area, village leaders, NGOs, and members of Coalition for Kutai National Park.



Additionally the ICITAP team surveyed potential sites for training and teambuilding in Samarinda, Balikpapan, Bontang and Sangata.

2.3. Support strengthening of techniques in local-level enforcement to combat encroachment and hunting

Sumatra

Coalition for the Protection of Wild Animals. OCSP facilitated the Coalition for the Protection of Wild Animals (KPSL/Koalisi Perlindungan Satwa Liar Dilindungi) to conduct an assessment in North Sumatra of wildlife crime hotspots. These were identified using previous investigation reports, both published and unpublished, including those on the internet and newspapers, as well as conducting interviews and examination of files of NGOs and government agencies. Reluctance by government

agencies to share their information has resulted in delays in both the collection of their information and its analysis.

Additionally, OCSP facilitated a number of regular meetings of KPSL to encourage them to follow up on the progress of pending wildlife cases and at the same time engage other legal parties to participate in monitoring the progress of these cases and become increasingly engaged in enforcement.

Coalition to Care for the North Sumatra Forest. OCSP initiated informal discussions with the Coalition to Care for the North Sumatra Forest (KPHS/*Koalisi Peduli Hutan Sumatra Utara*) to develop a concept note on legal domestic timber requirements in North Sumatra.

OCSP assisted KPHS in handling a suspected illegal logging case in Siondop Selatan and Tapanuli Selatan. PT Pane Lika Sejahtera—a forest concessionaire in this area—was suspected of illegal logging practices in protected forest near their concession. KPHS members organized themselves and gathered legally appropriate evidence of this crime.

OCSP conducted discussions concerning the Indonesian Sylvania Culture System at a workshop from May 18-20, 2009. The workshop focused on training NGO participants from Aceh and North Sumatra to monitor timber concessionaire performance related to their obligation to meet Government of Indonesia Legality & Verification requirements. The follow up from this training will be a monitoring exercise for PT Teluk Nauli in Tapanuli and PT Pane Lika Sejahtera in Mandailing-Natal. These exercises will be under the supervision of Conservation International and Yayasan Ecosystem Lestari. OCSP has managed and facilitated several further meetings. The monitoring exercise is anticipated to start in October 2009.

OCSP advertised for a computer specialist to assist OCSP develop a database and work-flow system that would enable KPSL to build a database of wildlife crimes and monitor workflow performances of government enforcement agencies. The first candidate withdrew after a lengthy process; the second did the same after fee negotiations broke down. OCSP is now interviewing a third candidate.

Kalimantan

Combating crime related to orangutan. OCSP grantees in Kalimantan have been very active in providing information to enforcement authorities on hunting and trading of orangutan. Three wildlife crime involving orangutan were reported to the authorities in West Kalimantan by OCSP grantee Titian. Two wildlife crimes involving orangutan were reported to the authorities in East Kalimantan by OCSP grantee AKAR Kaltim.

The cases have been investigated and reported to the Natural Resources Conservation Agency under the Ministry of Forestry (*BKSDA/Balai Konservasi Sumber Daya Alam*). Almost all of the reports were officially recorded, and actions were taken by the authorities. Unfortunately, the actions taken were not the enforcement of the law and prosecution of the hunter or owner of the orangutan, but only asking the people to give their orangutan to the agency. It did not increase awareness much or provide a deterrent for orangutan hunting or trading. Other approaches need to be explored to make the conservation agency use their authority to prosecute the orangutan hunters, traders and owners.

Component 3. Partnerships that improve coordination and liaison among stakeholders engaged in conservation of wild orangutan populations

C	A	S	COMPONENTS, ACTIVITIES, SUB-ACTIVITIES	RESOURCE	INDICATOR	TARGET	THIS QUARTER
3			Partnerships that improve coordination and liaison among all partners engaged in conservation of wild orangutan populations		Number of forums, working groups, private sector and government partnerships in place that improve coordination and collaboration	At least 10 national and regional forums, local working groups and agreements in place that improve coordination and collaboration in conservation of orangutan	
3	1		Facilitate improved national cooperation and collaboration among private and public sectors and civil society	OCSP staff, partners, and gov't	Number of forums created to coordinate national orangutan conservation policy and practice	At least 3 forums at national level and branches in Kalimantan and Sumatra created to coordinate national orangutan conservation policy and practice	Established Orangutan Conservation Forum in East Kalimantan (KORAN)
3	2		Develop working groups at regional level to deal with a range of issues relevant to OCSP outcomes on orangutan conservation	OCSP staff, partners, and gov't	Number of issues related regional, local and community working groups established	At least 3 issues related regional, local and community working groups established	Reached agreement on multi-stakeholder forum to become the gov't partner for implementing the Orangutan Action Plan in North Sumatra
3	3		Facilitate agreements with the private sector to implement conservation	OCSP staff, partners, and gov't	Private-sector partnerships established	At least 4 companies participating in orangutan conservation through working groups or agreements to improve management	Two companies in East Kal indicated their willingness to develop orangutan corridors in their concession areas

Progress Report: Quarter Nine

C	A	S	COMPONENTS, ACTIVITIES, SUB- ACTIVITIES	RESOURC E	INDICATOR	TARGET	THIS QUARTER

3.1. Facilitate improved national cooperation and collaboration among private and public sectors and civil society

Nothing new to report.

3.2. Develop working groups at regional level to deal with a range of issues relevant to OCSP outcomes on orangutan conservation

Sumatra

OCSP has been involved in several Gunung Leuser National Park roundtable meetings and hosted one of these on April 28, 2009. In these roundtable meetings it was agreed to increase collaboration among stakeholders near this park as well as include the private sector in these collaborations, particularly the Indonesian Palm Oil Association (GAPKI/*Gabungan Pengusaha Kelapa Sawit Indonesia*) and the Farmers Association (APKASINDO/*Asosiasi Petani Kebun Sawit Indonesia*).

OCSP, in collaboration with Conservation International-Indonesia, the Sumatran Orangutan Society's Orangutan Information Center, and the Indonesian Palm Oil Association in North Sumatra Province, facilitated the North Sumatra Office of Natural Resources Conservation Agency under the Ministry of Forestry (BKSDA) to establish a forum as the government partner for implementing the National Orangutan Action Plan in North Sumatra. The Forum Orangutan North Sumatra (FOKUS) will be launched on July 22, 2009 at the Hotel ASEAN International. Its members comprise the private sector, government institutions, academics institutions, and NGOs. OCSP has also been in continuous negotiations with partners to establish a similar forum in Aceh. There has been a recent breakthrough, and it now appears that the first meeting to establish this new Aceh Forum will occur in October 2009.

Kalimantan

As mentioned in section 1.3, the Orangutan Conservation Forum (KORAN/*Forum Konservasi Orangutan*) has been established in East Kalimantan with the objectives of:

1. Providing a forum for stakeholders to discuss and share resources in the implementation of the National Orangutan Action Plan in East Kalimantan.
2. Facilitating the implementation of the plan by individuals and organizations in East Kalimantan.
3. Organizing activities and events to support the action plan in East Kalimantan, including data collection, proposals for funding, and networking.
4. Serving as a clearing house for information on the action plan.

The development of this forum has gone through a long process of analysis and review regarding institutional needs to secure implementation of the orangutan action plan and a series of both formal and informal consultation meetings with key stakeholders. This was done by an *ad hoc* team representing universities, the private sector, NGOs and government.

Forum Orangutan

At the first annual review of achievements towards the goals of the National Action Plan, the members determined that a locally derived central coordinating body was needed to drive the National Action Plan forward. Mutual agreement by a range of conservation NGOs and the national government led to the formation of the Indonesian Orangutan Forum (Forum Orangutan Indonesia - FORINA).

FORINA's formal role in catalyzing implementation of the National Action Plan includes:

- i) gaining wider national and international support for orangutan conservation;
- ii) enlarging the range of actors working to improve prospects for orangutan conservation, including businesses;
- iii) helping to coordinate and focus the activities of those groups engaged in orangutan conservation, both in the field and in the political arena, in order to ensure achievement of the goals of the National Action Plan;
- iv) assisting in monitoring and evaluating the implementation results of orangutan conservation efforts and communicating them to a wide national and international audience and;
- v) establishing national and international links to support programs, both financial and scientific.

While the shape of this central coordinating body is still being determined, an interim body of advisors has been formed and plans are now being developed for how best to structure the management of FORINA.

This quarter the body of advisors began developing a charter that will govern the operations of FORINA. They also began preliminary preparation for the International Orangutan Congress, to be held in May, 2010.

3.3. Facilitate agreements with the private sector to implement conservation

Developing orangutan corridors and commitment of private concessionaires on orangutan conservation

Besides the Orangutan Conservation Forum in East Kalimantan, there is another multi-stakeholder partnership working for orangutan conservation in East Kalimantan, particularly around Kutai National Park called the Orangutan Working Group. During the working group meeting in June 2009, two timber concessionaires, Surya Hutani Jaya and Sumalindo Hutani Jaya expressed their concerns about orangutan attacks on young trees in their areas.

As warned by several orangutan experts, the East Kalimantan orangutan (*Pongo pygmaeus morio*) will eat Acacia tree's cambium (inner bark) when they have no more food in their habitat. This has happened in both the Surya Hutani Jaya and Sumalindo Hutani Jaya concessions. The orangutan favors young Acacia trees and the damage is extensive. Sumalindo estimated that their losses from orangutan are close to 135 billion rupiahs (approximately US\$14 million) over one year.

As suggested by conservation actors and orangutan experts, including OCSP staffs, Surya Hutani Jaya and Sumalindo Hutani Jaya started to think about allocating part of their concession area to become an orangutan protection area and developing corridors to connect their concession with Kutai National Park, which is believed to be the orangutan's largest habitat in the area, and also with Muara Kaman Natural Sanctuary. It is difficult to develop the corridors because there is a PT Indominco (coal) area between Sumalindo and Kutai National Park, and there is no forest left between Surya Hutani Jaya and Muara Kaman Natural Sanctuary.

OCSP and the Kutai National Park Authority are now facilitating the two timber companies to negotiate with PT Indominco, which is also a member of the Friends of Kutai, in support of the orangutan corridor initiative. OCSP is also facilitating the timber companies' design of corridors through orangutan surveys, mapping activities, and other activities still under negotiated between OCSP and the companies. This

activity will be implemented under the additional component of OCSP, the Private-Sector Sustainability Facility.

Component 4. Improved outreach and communication that builds commitment and support for orangutan conservation

C	A	S	COMPONENTS, ACTIVITIES, SUB-ACTIVITIES	RESOURCE	INDICATOR	TARGET	THIS QUARTER
4			Improved outreach that builds commitment and support for orangutan conservation		Percent of OCSP target stakeholders demonstrating support for orangutan conservation efforts	10% of survey respondents from OCSP target groups (relevant government officials, and business and community members) who are able to respond correctly/ affirmatively to a simple questionnaire on importance of orangutan conservation	
4	1		Build local, national and international support for orangutan conservation across the program	OCSP and Grantees	Time and articles in media devoted to conservation of orangutan and their habitat	"Media air-time devoted to OCSP-supported activities Radio : 9 hours newspaper, magazine : 75 times TV: 15 minutes"	Radio Airtime: 1.5 minutes on Kiss FM Medan Newspapers: 9 in Sumatra (incl. 1 Tamasya Magazine), 21 in Kalimantan. TV: 15 minutes on local TV (by Titian)
4	2		Develop Program Identity, communications strategy and materials across the program	OCSP and Grantees	Percentage of relevant stakeholders aware of OCSP	35% of survey individuals from conservation organizations and relevant government institutions in Jakarta, Kalimantan and Sumatra who are able to respond correctly to a questionnaire on OCSP	76% of respondents agree that OCSP provides important services to protect orangutans and their habitat (n= 86 samples of NGO, government, and private sector)
4	3		Development and Management of program website and mail lists	OCSP	Use of OCSP website and affiliated sites and mail lists	"Number of "hits" and "visits" on OCSP web-site and individuals receiving regular	a - 1413 hits b - 417 visits c - OCSP Group Mailing List – 23

C	A	S	COMPONENTS, ACTIVITIES, SUB-ACTIVITIES	RESOURCE	INDICATOR	TARGET	THIS QUARTER
						information via mail lists a – website 900 hits b- website 220 visits c- mail list recipients >50 recipients	members Orangutan Action Plan Group Mailing List – 130 members OCSP Grant Group Mailing List – 88 members Orangutan Congress mailing list – 19 members KPSL Sumbagut mailing list (Sumatra) – 37 members Alam Sumatra mailing list (Sumatra)- 13 members Facebook of Orangutan National Action Plan – 180 members Total Mailing List = 490
4	4		National campaigns to support conservation of orangutan	OCSP and Grantees	Percentage aware of campaign issues among target audiences	20% of survey respondents among target audience aware to orangutan conservation needs	In progress
4	5		Implement exchanges and program visits to conservation sites for regional, national and international stakeholders	OCSP	Number of participants in exchanges and programs visits	25 "people" making exchanges or visits to best practice conservation sites	2 persons of ICITAP Team - from US Department of Justice to Kutai National Park to work with Park management and stakeholders. 2 persons of ASEAN-Wildlife Enforcement Network team did field assessment investigation training in Kutai National Park.
4	6		Develop and implement	OCSP,	Number of studies	At least 1 publications, reports	N/A

C	A	S	COMPONENTS, ACTIVITIES, SUB-ACTIVITIES	RESOURCE	INDICATOR	TARGET	THIS QUARTER
			advocacy project that clearly demonstrates the impact of forest clearing and oil palm development on orangutan populations	Subcontractor, Stakeholders	utilized in campaigns on impact of plantation development on orangutan populations	or case studies discussing the impact of plantation development on orangutan populations that are used in advocacy campaigns	

4.1. Build local, national and international media support for orangutan conservation across the program

National

Perception survey. OCSP conducted a survey in April 2009 to measure stakeholder's perceptions on the importance of conserving orangutan and their habitat, threats to orangutan and their habitat, as well as the importance of policy change that support orangutan and habitat conservation. In addition, the survey aimed to measure stakeholder's perceptions of OCSP.

To obtain the quantitative data needed, the survey distributed questionnaires to a random sample of stakeholder organizations within the Indonesian conservation community. A total of 86 organizations returned the surveys. Of the 86 responses, NGOs accounted for 57%, government offices 32%, and private-sector companies the remaining 11%. The qualitative part of the evaluation derived from 13 in-depth interviews with organizations not included in the random sample.

The final report was completed the second week of May 2009. Some important findings include:

- On threat awareness, 98% of OCSP's target audience surveyed agreed that orangutans and their habitat are under heavy threat in Indonesia and 100% of the respondents are aware of the main threats to orangutans and their habitat. The top three identified main threats to orangutans and their habitat are: deforestation/ illegal logging (31%), oil palm plantations (29%), and lack of law enforcement (24%).
- On the importance of conserving orangutan and their habitat, 99% of the target audiences agreed that protecting orangutans and their habitat is an urgent matter.
- On the awareness for the necessary policy changes and law enforcement that support orangutans and their habitat conservation, more than 90% agreed that policy changes and law enforcement are necessary to protect orangutans and their habitat.
- On the perceptions of OCSP, 76% of respondents agreed that OCSP provides important services to protect orangutans and their habitat.

On stakeholders' satisfaction with OCSP, however, the survey findings suggest that OCSP has not yet achieved its overall impact and information exchange performance targets. Only 45% of the stakeholders surveyed rated OCSP as good or very good in its capacity building and support services. This shows that OCSP is not yet perceived as a strong capacity builder or a liaison for information exchange.

Overall, OCSP has been successful in communicating the urgency of orangutan conservation. Yet there is a need for improvement in capacity building and support services. OCSP should increase its efforts in capacity building and support services to its stakeholders. Annex III has the executive summary of the perception survey.

Sumatra

OCSP's office in Medan published eight orangutan conservation articles in seven media. The article topics mainly covered sustainable financing for conservation and the participation of OCSP in a government expo.

OCSP participated in the Environment and Corporate Social Responsibility Expo 2009 at the Pekan Raya, North Sumatera, 24-28 June 2009. The OCSP-USAID booth displayed an orangutan banner and communication materials such as fact sheets, a slide show, and a documentary film to promote a number of programs including Hutan Batang Toru, Model Conservation Villages, and local wisdom in Simareong (Marancar). Mr. Gatot P. Nugroho, the Vice Governor of North Sumatera visited OCSP's booth.



OCSP booth



Vice Governor, North Sumatera, Gatot P. Nugroho visiting OCSP booth

A workshop has been organized by OCSP in Berastagi for July 17-20, 2009 which will be attended by seven chief editors of the major media in North Sumatera. The objective is to gain the assistance of these editors to mainstream information on the need to conserve orangutan and its habitat into the media.

Kalimantan

Total media coverage during this quarter was 21 articles in local newspapers such as Kaltim Post, Tribun Kaltim, and national newspapers such as Kompas and The Jakarta Post.

Wehea journalist field trip. In April 2009, OCSP conducted a journalist media trip to promote community conservation effort in Wehea and its Nesah Liah Bing village. The aim was national recognition of an important conservation area especially as a habitat for orangutans in East Kalimantan. OCSP hosted four journalists from local and national media such as Kompas, The Jakarta Post, and Tribun Kaltim.



4.2. Develop program identity and communications strategy and materials across the program

During April to June, a number of communication materials were developed. The deliverables include:

- **Annual Report & Annual Report Summary.** A printout of the finished designs for the Annual Report and Annual Report Summary were taken over to USAID for their approval on April 24. Corrections to the text for these documents have now been finished and the reports are ready to go to print.
- **Batang Toru publication.** This publication is to support the OCSP office in Sumatra. The initial layout has been completed and a copy sent to USAID for approval. It is planned to print the publication in Medan.
- **PSSF business brochure.** A brochure aimed at the business community has been finished and a few copies printed for feedback and suggestions.
- **Flyer.** A flyer about next year's Orangutan Congress is being developed.

Kalimantan

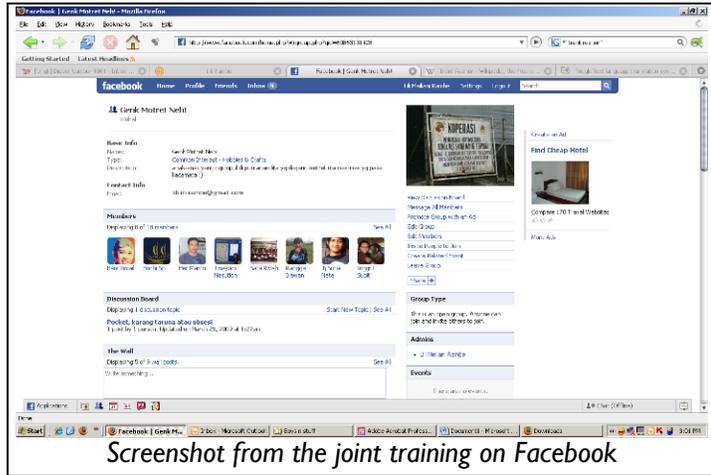
OCSP distributed the booklet *Orangutan: Protected but Not Protected (Orangutan Dilindungi Tapi Tidak Terlindungi)* to OCSP stakeholders in Kalimantan.

Sumatra

To support the promotion of the West Batang Toru Forest Block, a booklet is being developed by the OCSP office in Sumatera. The booklet is a popular version of the Action Plan for conservation of West Batang Toru Forest Block

4.3. Development and management of program website and mail lists

During photography training organized by Pro Media for OCSF communication staff and OCSF grantees from Sumatra and Kalimantan, all training participants agreed to use Facebook page as communication media among participants and by June 2009 there were 18 active members.



Mail lists

OCSP currently maintains several mailing lists through which information is regularly sent out to the orangutan conservation community and other interested parties. These include:

- OCSP Group Mailing List 23 members
- Orangutan Action Plan Group Mailing List 115 members
- OCSP Grant Group Mailing List 79 members
- Orangutan Congress Mailing List 12 members
- KPSL Sumbagut mailing list (Sumatra) 37 members
- Alam Sumatra mailing list (Sumatra) 13 members
- Facebook of Orangutan National Action Plan 138 members
- Total people on mailing lists = 413

4.4. National campaigns to support conservation of orangutan

Press conference

To support the promotion of conservation in Hutan Batang Toru, the OCSP office in Sumatera held a press conference for journalists and invited them to get involved in a workshop on “Sustainable Financing for the Conservation of Batang Toru Forest”. The press release is in Annex II.

The workshop was held at Best Western Hotel ASEAN, Medan, 23-24 June 2009. It was attended by 65 participants, including representatives from government of North Sumatera, academia, NGOs and the private sector.

Among the speakers in the workshop were Frank Momberg from Fauna and Flora International, Agussari from Global Eco Securities, Jatna Supriatna from Conservation International, Yanti Koestoer from Indonesia Business Links, Lukianto Lusli from Burung Indonesia, and Chris Fong from PSSF-OCSP.

PRIDE campaign

OCSP-TNC conducted a PRIDE campaign in Berau and East Kutai Districts from February 2008 until May 2009. The purposed of this campaign was to support a multifunction landscape for orangutan conservation in seven villages of Berau and East Kutai. The Pride campaign focused on the

Lesan River because this area is an important habitat for East Kalimantan orangutans. At the end of this campaign, OCSP-TNC conducted a survey, and one of the significant results is awareness about Lesan River as an important habitat for orangutans in these seven villages increased from 32% to 67%.

I Love Kutai National Park campaign

OCSP facilitate the private-sector company PT ESCOMMS to work closely with Kutai National Park management and selected member of Friends of Kutai (*Mitra Kutai*). PT ESCOMMS is preparing for the official launch of the environmental and branding campaign for Kutai National Park. These include the design, production and dissemination of campaign and communication materials in collaboration with park authorities.

Several meetings were held to gain political and financial support from key stakeholders, including the Sultan of Kutai Kingdom in Tenggarong, the provincial governor, the East Kutai District head and the Mayor of Bontang City. The mayor of Bontang City also expressed his willingness to be a champion for the campaign and offered the use of city facilities for the Kutai National Park campaign.

4.5. Implement exchanges and program visits to conservation sites for regional, national and int'l stakeholders

OCSP assisted two site visits during the period, including the following:

- ICITAP Team from US Department of Justice to Kutai National Park to work with Kutai National Park management and stakeholders.
- ASEAN-Wildlife Enforcement Network (ASEAN-WEN) team for field assessments and investigation training at Kutai National Park.

4.6 Develop and implement advocacy project that clearly demonstrates the impact of forest clearing and oil palm development on orangutan populations

No progress this quarter.

Component 5. Sustainable financing

C	A	S	COMPONENTS, ACTIVITIES, SUB-ACTIVITIES	RESOURCE	INDICATOR	TARGET	THIS QUARTER
5			Sustainable Financing		Amount of funds raised	US\$1 million raised for national orangutan action plan and OCSP-initiated activities and sustainability	
5	I		Establish a framework for collaboration on sustainable financing for orangutan conservation	OCSP staff and grantees	Number of public and private-sector donors and NGOs contributing financing to orangutan conservation activities	At least 5 public, private-sector and NGO donors contributing to implementation of the national orangutan action plan and OCSP-initiated activities and forums	In progress

5.1. Establish collaboration on sustainable financing for orangutan conservation

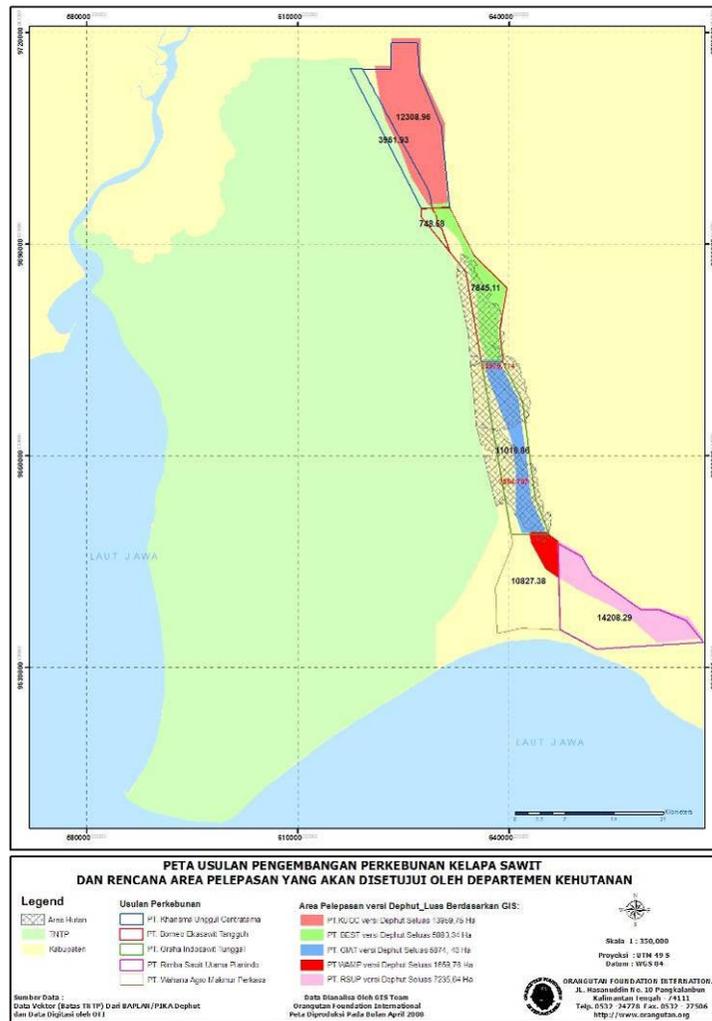
Nothing new to report on this component.

Sustainable financing

Sungai Putri carbon project

Berau carbon site

Rimba Raya Carbon Project around Tanjung Puting



Areas around Tanjung Puting National Park to be converted to oil palm

Component 6. Private-sector sustainability facility

The Private Sector Sustainability Facility, introduced in March 2009, is a new component of the existing OCSP program that focuses on strengthening private-sector partnerships for forest and biodiversity conservation.

Pilot sites for Best-Management Practices

A numbers of potential sites in Kalimantan and Sumatra were assessed as potential pilot sites for implementing best-management practices based on the following criteria:

1. Proof of an orangutan population with habitat suitable to maintain the population. Preference to be given to lowland forest on peat land.
2. Urgent need for conservation interventions because of the nature of threats but with strong possibility that threats can be mitigated or eliminated.
3. Opportunities to engage at least three of the four private-sector types (timber plantation, logging, mining, oil palm) in one region or site.
4. A good enabling environment exists with local government and NGOs partners to support activities of PSSF.
5. Concessionaires in selected sites indicate interest to pilot best-management practices.
6. Sites include concessions owned or operated with international partners or publicly-listed companies which are more likely to use international best-management practices.
7. Concessionaires can pass 'due diligence' assessments to gauge their suitability as partners for a USAID-funded programs.
8. Opportunities exist to implement a range of conservation activities to conserve and rehabilitate orangutan habitats.
9. Concessions have areas suitable as set-asides and for rehabilitation. These areas may include high conservation value forests or have other important natural resources in addition to orangutan populations.
10. Sites that have the potential to form corridor links with other important orangutan or biodiversity areas.

After screening the potential sites, the Private Sector Sustainability Fund (PSSF) team decided to focus their work in Kutai National Park and surroundings in East Kalimantan and Dairi & Pakpak Bharat Districts in North Sumatra.

In June, OCSP employed four technical advisors to review existing best-management practices for orangutan and modify them to produce best-management practices for four private-sector types. Their review should be finished around October. The technical advisors are:

1. Adam Grant – Forest Concession Advisor
2. Fergus McDonald – PSSF Plantation Advisor
3. Tim Lamrock – Mining Concessions Advisor
4. Erick Meijard – Orangutan Expert

Sumatra

Several extractive companies are located inside and on the periphery of the North Sumatran Dairi-Pakpak Bharat forest block.

Timber concession. PT Gruti owns the single timber concession in Dairi-Pakpak Bharat forest block through a permit based on the Ministry Decree No. 596/Kpts-VI/99. This permit has expired, but PT Gruti has formally requested that the Ministry of Forestry extend this permit. At this time, they have ceased their field activities in all three concession blocks (Block 1 in west Pakpak Bharat - 28,601 ha; Block 2 in east Pakpak Bharat -18,891 ha; and Block 3 in Dairi - 9,646 ha).

Pulp and paper timber concession. No pulp and paper timber concessions occur in Dairi or Pakpak districts, but there is one nearby. It is near the southern part of the forest block and is owned by PT Toba Pulp Lestari. This company has requested additional areas to enable them to expand their operations into the Dairi-Pakpak Bharat forest block.

Mining concession. PT Dairi Prima mining, a joint venture company between PT Aneka Tambang and Herald Resources Ltd from Australia has a concession from the Ministry of Mining and Energy to exploit zinc and lead in Dairi. Due to the forest status of this area—it is protected forest—PT Dairi Prima must conduct their operation in a closed-pit system.

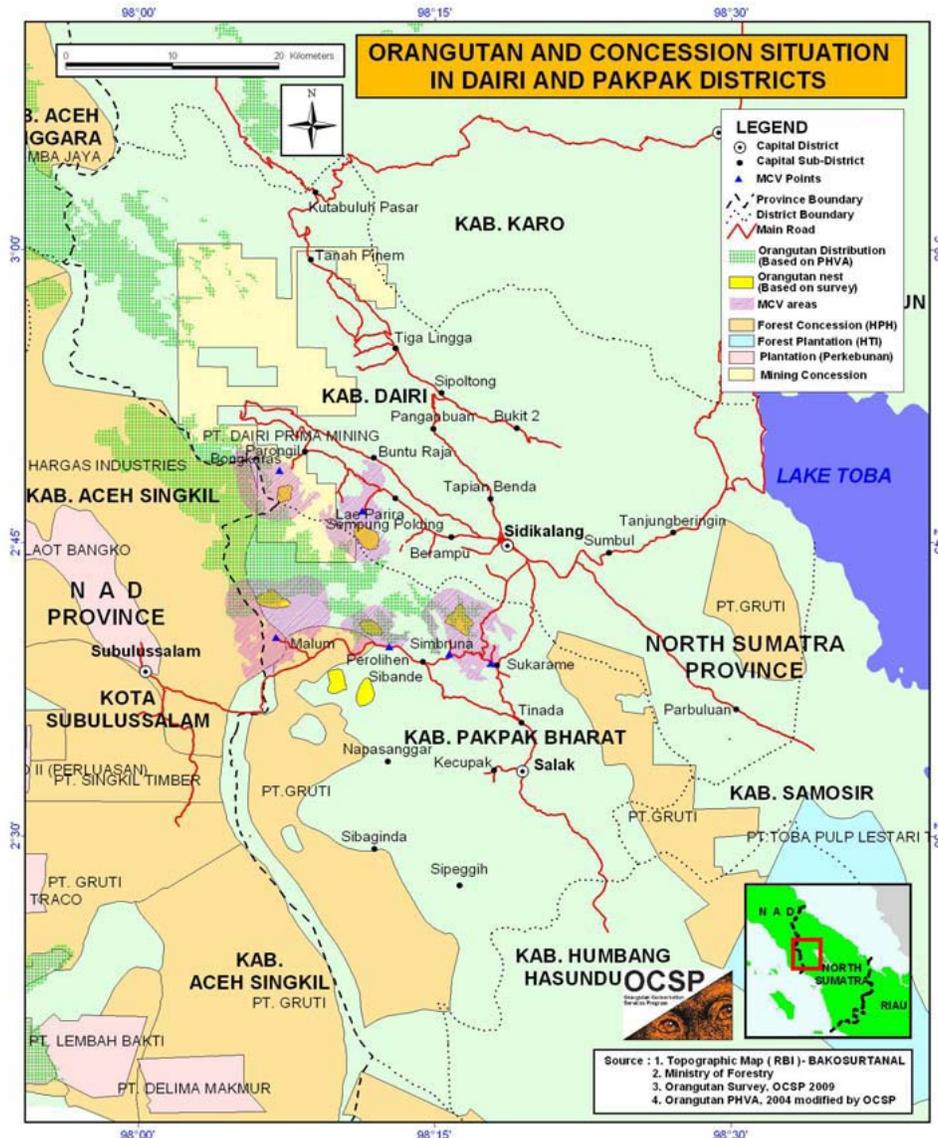
Plantation concession. Because the elevation of the Dairi-Pakpak Bharat forest block is mostly above 800m, it is not attractive for palm oil plantations. It has, however, since the mid 1980s, had a ginger plantation of 1,700 ha owned by PT Agro Citra Wahana Mas Gemilang, but this company collapsed due to conflicts with local communities and is now dormant. Two companies have developed coffee plantations near the forest block. These are PT Tunggal Menara Jaya (Kec. Siempat Rube, Pakpak Bharat) and PT Wahana (Kec. Berampu, Dairi).

Unlike Kutai National Park in Kalimantan where cooperation between nearby companies is well established, in Dairi and Pakpak Bharat districts of North Sumatra, the PSSF team aims to establish a new consortium called a Land Council.

The PSSF team is still in the stage of introducing the PSSF program to the companies above and identifying each company’s needs as well as the type of support the PSSF team could offer.

Summary of orangutan situation in Dairi and Pakpak Barat forest block

Orangutan population size	Medium (<200)
Degree of threat	High. Land conversion stimulated by land-use reallocation policies. Exacerbated by in-migration into the forest block
Area	335,107 ha.
Legal status	Mixed. Production Forest (23,635 ha), Limited Production Forest (122,830 ha), Protection Forest (101,297 ha), Nature Reserve (5,704 ha and), and no forest status (81,642 ha)
Uniqueness	Dairi-Pakpak Bharat Forest Block is a mixture of lower and upper montane forests with potential primate hybrids present. Surrounded by 4 Important Bird Areas. Largest area of forest in North Sumatra Province.
Likelihood of measurable impact	Medium
Political will	Medium. Ministry of Forestry will soon establish a coalition to save the forest (KPH)
Leverage	Medium. OCSP-funded Model Conservation Village program. Conservation International has developed organic coffee agriculture program near Siranggas Nature Reserve.



Concessions in Dairi and Pakpak Districts

Kalimantan

Several extractive companies are located on the periphery of the Park. Many of these companies are involved with the multi-stakeholder group called Friends of Kutai (*Mitra Kutai*). They include concessionaires PT Badak (natural gas), PT Kaltim Prima Coal (coal), Pupuk Kaltim (fertilizer), PT Indominco (coal), and PT Surya Hutan Jaya (timber plantation). The Private Sector Sustainability Facility will capitalize on the existence of this group and help strengthen the Friends of Kutai and the commitment of its members to the Park and conservation of orangutans.

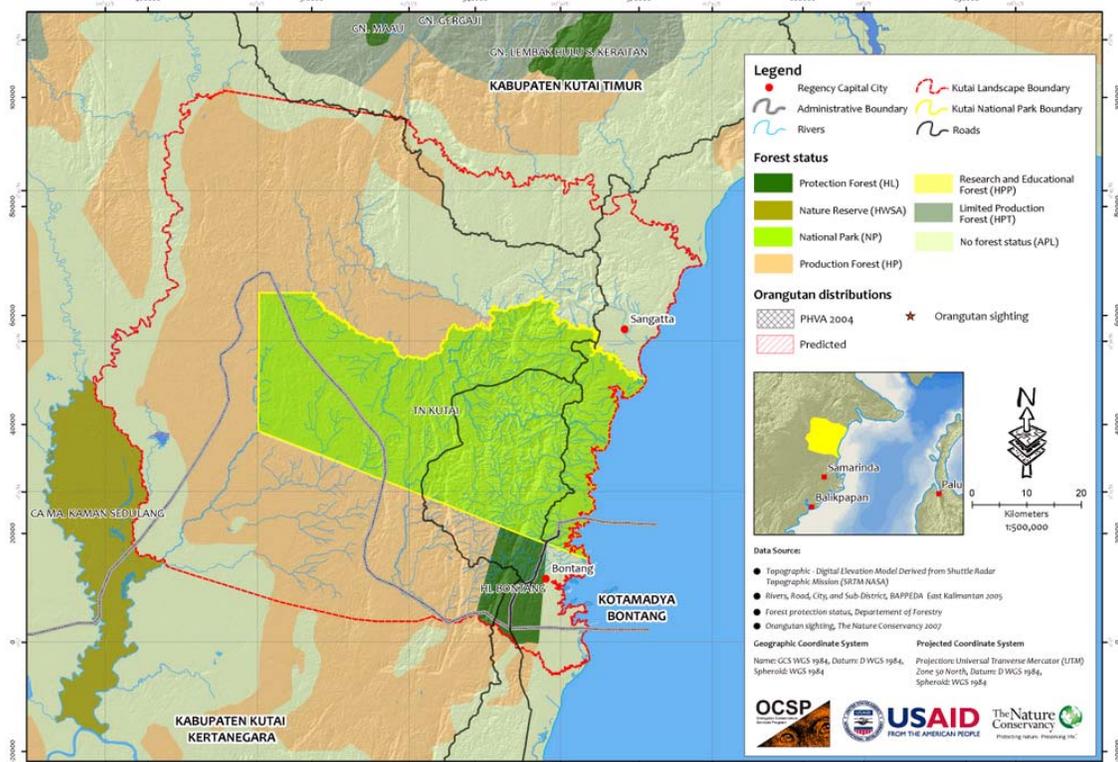
Several cases have been reported where orangutan populations were found in pulp or palm oil plantations, causing significant losses for the companies. These companies are beginning to perceive of orangutans as a liability.

Two plantation concessions operating adjacent to Kutai National Park, PT Surya Hutani Jaya and Sumalindo Hutani Jaya have reported financial loss due to damaged wrought on young *Acacia* trees by orangutans. They are seeking advice from the OCSP/PSSF Team on how to manage this issue and are interested in developing a cooperative agreement with OCSP. For this reason, the PSSF team has begun

to develop draft agreements for the two companies. By the end of July, the PSSF team expects to present the draft agreements to the companies to formalize their cooperation.

Summary of orangutan situation in Kutai National Park landscape

Population size	Medium (approximately 2,000)
Degree of threat	High: three new districts were recently formed; there is a city near the park (Bontang City); there are concession developments surrounding the park; there is local villager encroachment into the park; and enforcement is weak.
Area	767,486 ha
Legal status	Mixed. National Park (198,629 ha), Protection Forest (17,429 ha), Production Forest (326,940 ha), and no forest status (224,448 ha)
Uniqueness	Kutai National Park lowland forest area rich in vegetation structure and with expanses of <i>ulin</i> forest. Has 11 primate species and >300 bird species.
Likelihood of measurable impact	Medium
Political will	Medium. But poorly supported by the provincial government.
Leverage	High. TNC, ICITAP and other organizations are involved there.

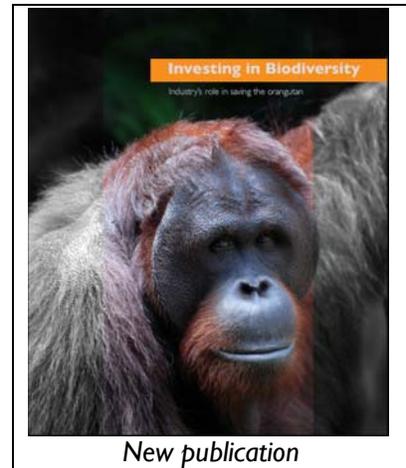


Forest concessions around Kutai National Park

OCSP developed and produced 1,000 booklets in June titled *Investing in Biodiversity* targeting the private sector.

6.2. Improving the screening protocols of the financial sector

The government has several policy and regulatory incentives for the financial sector to safeguard the environment including regulation 07/II/PBI/2005 from the Bank Indonesia and 12/III/BAPEPAM-LK/2004 from the Capital Market and Financial Institution Supervisory Agency. Both regulations require commercial and investment banks to assess the scope of the business and the measures taken by the debtor to conserve the environment.



Yet banks and financial institutions are skeptical about the importance of environmental issues. For various reasons, they are reluctant to be transparent regarding their policies and activities. Both the Bank Indonesia and Capital Market and Financial Institution Supervisory Agency also lacked efforts to enforce regulations.

PSSF is now into the 6th draft of screening tools titled *The Orangutan Compact*. International and local financial institutions have been selected to review the draft; a positive response has been received. Many of the financial institutions are going through a review process that involves numerous departments. In addition, PriceWaterhouseCoopers London, who are drafting a global document on sustainable financing, are reviewing the screening tool with a view towards including it in the Indonesian section of their document.

Formal letters asking for cooperation to fine-tune and implement the screening tools have been sent to 47 banks and financial institutions. A number of different kinds of institutions were targeted to join the development and implementation of the compact:

Government agencies	2
State-owned bank	2
Regional commercial bank	2
Financial institution	3
Private-owned bank	3
Fully foreign-owned bank	3

The PSSF team expects to have the Orangutan Compact ready for launch with a number of financial institutions on board by November 2009. Seminars will be prepared following the launch.

6.3. Conservation constituency strengthened within the private sector

The ongoing market-trends analysis is tied to two others analyses (the threats analysis and the Orangutan Compact). Therefore, progress is too early to report this quarter but is schedule to be finished in October.

Annex One: Media Coverage

The Jakarta Post

Published on The Jakarta Post (<http://www.thejakartapost.com>)

Kalpataru Award Winner: Lidjie Taq, Guarding the source of life

Anissa S. Febrina , The Jakarta Post , Jakarta | Tue, 06/09/2009 10:47 AM | People



JP/Anissa S. Febrina

To live close to nature is probably something many in the city dream of. But rarely do we realize the great responsibility that comes with that privilege, one that Lidjie Taq, chief of the Wehea tribe, takes very seriously.

"For us, the forest is a source of life," says the leader of the 2,500 residents of Nehes Liah Bing, a village in East Kalimantan's East Kutai area. "It is like a barn where we can obtain

anything from meat, plants, seeds and, especially for us, a natural recycler of water. Protecting it means we are protecting our own lives."

Lidjie's efforts to protect Wehea forest have gone from guarding it to fighting for its legal conservation status. The forest is located about 40 kilometers from his community and five other neighboring villages.

It is an effort that has been recognized through the recent Kalpataru award for conservation of nature, as an example set for others, an example of grassroots activism that could hopefully snowball into a greater movement.

"We were only concerned by the destruction of nature," Lidjie says.

"Around us, plantations are being opened and are contaminating the water with the fertilizers they use. Having a protected forest that also functions as a catchment area will hopefully help repurify the water."

"Keldung Laas Wehea Long Skung Metgueen": This phrase in Wehean Dayak refers to the protection and limited use of the forest, a line that represents the local consensus to guard their source of life.

"We are close to the forest and realized that it was dying," he says, describing the turning point for locals in intensifying their conservation efforts through the forest guardian program.

In early November 2004, locals from three surrounding districts started discussing what they wanted to do with the forest. In one day they had reached an agreement to manage and protect the 38,000-hectare area as a community forest.

Despite the Kalpataru recognition, the Wehea forest has yet to be legally recognized by the government as a conservation area.

Nevertheless, the community has appointed about 30 people as petkuq mehuey or guardians of the forest, taking turns monitoring the protected areas for poachers and loggers. While many green activists are busy formulating what a conservation area is and how it should be managed, the Weheans have done it customarily for centuries.

The key word for them is keldung, a concept that translates into a modern day understanding of "conservation area", according to coordinator of environmental organization The Nature Conservancy's East Kutai, Taufik Hidayat.

The green group has been fighting alongside locals to have the customary practice of forest

conservation recognized by the government.

Keldung is actually a simple, straight-to-the-point concept.

"If, for example, two brothers would like to clear their own fields, they should not clear them side by side. There should be a keldung in between, some 50 meters wide," Lidjie explains.

This buffer zone serves not only as a shaded place to rest after a hot day under the sun working in the fields, but also as what Lidjie referred to earlier: A source of life. That area allows biodiversity to thrive, locals to obtain timber to build communal huts and animals to live in the wilderness.

"Actually, the forest is divided into areas that cannot be touched at all and ones that can be of limited use. But we are trying as much as we can not to touch even the latter," he adds.

This latter area is available only for some timber to construct communal buildings and to hunt a limited number of boars.

"It's the only animal that is still allowed to be hunted as its population can grow quickly. But, still, if we are reckless in hunting boars, they will soon be extinct, too," Lidjie says.

"There are still violators, though, both locals and especially outsiders, like from Lombok and Java, who are not aware of our custom are still hunting and logging in the forest."

The poachers and loggers, known locally as pencari garu, are detained by the community, but are released after they are reprimanded and their hunting and logging tools are seized.

While the custom is inherent for Weheans, but for outsiders - including the government - the concept is difficult to grasp, let alone be recognized as equal to the law.

For outsiders, Dayak's slash-and-burn agriculture might seem destructive at first, but unwritten rules such as keldung seem to prove otherwise.

Describing the similar practice of Amazonian tribes, writer Charles C. Mann explains the reasoning behind it. "With little soil wealth to extract, Amazonian farmers face inherent ecological limitations. Farmers clear small fields with axes and machetes, burn off the chaff and refuse and plant their seeds. The ash gives the soil a quick shot of nutrients, giving the crop a chance," he wrote in 1491.

This concept "minimizes the time in which the ground is unprotected," and in a way, when farmers move to open another area, gives the soil time to regain vitality.

According to Mann, groups that have survived with this approach will build the knowledge into their ideology and behavior through taboos and other laws - much like what the Weheans do.

However, maintaining customary agricultural practices is not as easy as it seems, especially in an era of cash crops and intensive agriculture.

"Our area is shrinking, pushed back by commercial plantations and settlement areas. Thus, we have to adapt our form of agriculture," Lidjie says, adding that Weheans no longer open new forest areas and make do with the existing fields.

"If in the future the soil is no longer fertile and no longer allows our old way of farming, then, like it or not, we have to start using fertilizers," he says.

Change is one of Lidjie's concern - change for the worse that is.

"Time will change things. Each and every day there are outside forces that require us to change our ways of living. Ready or not, like it or not, we will gradually adapt," he says.

"We will never know about the future generation. But, as long as we are here, we will try to protect the forest. If it is destroyed, then the four villages downstream will be flooded. Our culture will also vanish. If that happens, then Wehea will be history."

Source URL: <http://www.thejakartapost.com/news/2009/06/09/kalpataru-award-winner-lidjie-taq-guarding-source-life.html>

NUSANTARA

PENYELAMATAN SATWA

Hentikan Konversi Hutan

PALANGKARAYA, KOMPAS — Untuk mencegah kepunahan orangutan (*Pongo pygmaeus*) sebagai primata terbesar di Indonesia, harus ada kemauan kuat para pihak di Departemen Kehutanan, pemerintah daerah, dan instansi terkait untuk menghentikan konversi hutan alam yang menjadi habitat orangutan. Kerusakan hutan di Kalimantan Tengah sudah berlangsung lebih dari tiga dekade.

Hal itu dikemukakan Direktur Eksekutif Save Our Borneo (SOB) Nordin di Palangkaraya, Selasa (19/5). "Jumlah orangutan di tempat penampungan yang melebihi kapasitas merupakan indikasi hutan habitat primata itu di alam sudah rusak. Apalagi, hingga tahun ini masih ada kabar penyerahan orangutan ke tempat penampungan," kata Nordin.

Nordin menuturkan, hutan di Kalteng mulai tergerus seiring masuknya perusahaan pemilik hak pengusahaan hutan (HPH) tahun 1970-an. Kerusakan hutan diperparah dengan maraknya pembalakan liar di era reformasi. "Tahun 1990-an, kerusakan hutan menjadi-jadi akibat gencarnya pembukaan kebun kelapa sawit," katanya.

Dari Balikpapan, Niel Maki-nuddin, Kalimantan Manager The Nature Conservancy for Orangutan Conservation Services Program (TNC-OCSP), menyatakan, penyelamatan hutan dari kegiatan konversi penting karena di Kalimantan Timur banyak ditemukan habitat orangutan di luar hutan konservasi. Hutan-hutan tempat primata langka itu kini rawan karena sebagian berada di areal HPH, hu-

tan tanaman industri, pertambangan batu bara, dan perkebunan kelapa sawit.

Di Kaltim, selain di Taman Nasional Kutai, orangutan ada di hutan Beriun, Wehea, dan Lesan di Kabupaten Kutai Timur. Juga di HTI seperti Sumalindo Hutan Jaya dan Surya Hutani Jaya serta di kawasan HPH Narkata.

Sejak Februari, sekitar 20 lembaga swadaya masyarakat menyurvei orangutan di luar kawasan konservasi Kalimantan.

Koordinator Program WWF Indonesia-Kalbar Hermayani Putera menambahkan, survei di Kalbar dilakukan terhadap 12 kabupaten. Hal ini dilakukan karena tata ruang Kalbar belum sejalan dengan upaya konservasi orangutan. Konversi hutan banyak mengabaikan habitat orangutan. (CAS/FUL/WHY)

Annex Two: Perception Survey Executive Summary

Background. The USAID-funded Orangutan Conservation Services Program (OCSP) seeks to help Indonesia preserve some of the world’s most highly valued biodiversity in Kalimantan (Borneo) and Sumatra, Indonesia. OCSP seeks to reduce the rate of forest loss by working closely with the Government of Indonesia, the private sector and non-governmental organizations to address the key threats of unsustainable and illegal logging, forest conversion, and fires. The program is designed so that development and conservation are sustainable.

I. Program Components

OCSP is based on five components. This evaluation will review the results of Component 4. More specifically, it will report the 2008 results for Activity 4.2, Activity 4.4, and Stakeholder Satisfaction.

II. Program Objectives

There are three broad program objectives that will be measured in this evaluation. First, OCSP seeks to build awareness and understanding amongst the target audience on the main threats to orangutans and their habitat. Second, it seeks to build awareness and understanding amongst the target audience on the importance of protecting orangutans and their habitat. Third, OCSP works to build awareness and understanding amongst target audiences on the need for policy change and law enforcement that support orangutans and their habitat conservation.

IV. Evaluation Purpose and Methods

To determine the progress toward the targets, OCSP conducted a two-part study. The first part of the evaluation consisted of a random sample of stakeholder organizations in the conservation community in Indonesia. A total of 86 organizations returned the surveys. Of the 86 responses, NGOs accounted for 57% of the sample (n = 49). Government offices (n = 28) accounted for 32% of the sample. Private sector companies comprised the remaining 11% of the responses (n = 9). The second part of the evaluation included 13 in-depth interviews with organizations not included in the random sample.

V. Findings

Overall Impact, Activity 4.2 and Activity 4.4

<i>Component 4</i>	<i>Overall Impact</i>	<i>Activity 4.2</i>	<i>Activity 4.4</i>
Improved outreach that builds commitment and support for orangutan conservation	Percent of Indonesian stakeholders demonstrating support for orangutan conservation efforts	Percent of conservation organizations & relevant government offices in Kalimantan and Sumatra aware of OCSP	Percent of survey respondents from the target audience who are aware of campaign issues
OCSP end Target	60%	90%	Increase of 25% awareness
Baseline Data	Not collected	Not collected	Not collected
2008 Target	10%	65%	15%
2008 Actual	99%	76%	100%

OCSP has met and exceeded its 2008 targets for the Overall Impact, Activity 4.2 and Activity 4.4.

Stakeholder Satisfaction

<i>Time Frame</i>	<i>Overall Impact</i>	<i>Information Exchange</i>
	Percentage of partners in OCSP focus area that rate OCSP capacity building and support services as good to excellent	Percentage of stakeholders that rate OCSP information exchange and liaison as good to excellent
OCSP end Target	90%	90%
Baseline	0%	0%
FY 2008 Target	90%	90%
FY 2008 Actual	45%	65%

The survey findings suggest that OCSP has not yet achieved its Stakeholder Satisfaction Overall Impact and Information Exchange performance targets. OCSP should continue its efforts in capacity building and support services to its stakeholders. It has not yet perceived to be a strong capacity builder or a liaison for information exchange.

VI. Conclusions and Recommendations

Overall, OCSP has been successful in communicating the urgency of orangutan conservation. OCSP has indeed achieved its objectives related to Component 4, Activity 4.2 and Activity 4.4. But there is room for improvement in stakeholder satisfaction with OCSP capacity building and information exchange. The recommendations below, based on the surveys and the interviews, may provide directions to help OCSP progress toward its stakeholder satisfaction targets.

- Greater government level engagement
- OCSP should continue to act as facilitator and coordinator for partnerships

Final Remarks. OCSP now has quantitative and qualitative data to inform the next two years of its program. It has been successful in raising awareness about threats, urgency of conservation, and the role of enforcement in orangutan protection. Now, it needs to strategize ways to emerge as a key facilitator in the conservation movement. If it can build relationships amongst stakeholders then it will fulfill its important mission and protect some of Indonesia's and the world's greatest biodiversity.

Annex Three: Initial Environmental Examination (IEE) Reporting

No activities were conducted in the quarter relevant or related to determinations of the IEE.