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IMPLEMENTATION COMPLETION REPORT
(CPL-40080; SCL-4008A; SCPD-4008S)

ON A

LOAN

IN THE AMOUNT OF US\$19.1 MILLION

AND A GLOBAL ENVIRONMENT FACILITY GRANT

IN THE AMOUNT OF SDR 10.2 MILLION (US\$15.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF INDONESIA

FOR THE

KERINCI SEBLAT INTEGRATED CONSERVATION
AND DEVELOPMENT PROJECT

June 30, 2003

**Rural Development and Natural Resources Sector Unit
Indonesia Country Unit
East Asia and Pacific Regional Office**

CURRENCY EQUIVALENTS

(Exchange Rate Effective December 2002)

Currency Unit = Rupiah (Rp.)

Rp. 1,000 = US\$ 0.115

US\$ 1 = Rp. 8,700

FISCAL YEAR

April 1 - March 31 (up to Year 2000)

January 1 - December 31 (from Year 2001)

ABBREVIATIONS AND ACRONYMS

APBD	-	Provincial Budget Allocation
APBN	-	Central Budget Allocation
BANGDA	-	Department of Regional Development
BAPLAN	-	Directorate General of Forestry Mapping (<i>Badana Planologi Hutan</i>)
BAPPEDA	-	Regional Development Planning Board (<i>Badan Perencanaan Pembangunan</i>)
BAPPENAS	-	National Development Planning Agency (<i>Badan Perencanaan Pembangunan Nasional</i>)
BPK	-	Directorate General of Forest Management (<i>Badan Pengusaha Kehutanan</i>)
BTNKS	-	National Park Office (<i>Balai Taman Nasional Kerinci Seblat</i>)
DMT	-	Duta Maju Timber
ERR	-	Economic Rate of Return
GEF	-	Global Environmental Facility
GIS	-	Geographic Information System
GOI	-	Government of Indonesia
HPH	-	Forest Concession (<i>Hak Pengusahaan Hutan</i>)
ICDP	-	Kerinci Seblat Integrated Conservation and Development Project
IPCC	-	Inter-Provincial Coordination Committee
ISPS	-	Inter-Provincial Spatial Plan Study
JGF	-	Japanese Grant Facility
KSNP	-	Kerinci-Seblat National Park
M&E	-	Monitoring and Evaluation
MoFr	-	Ministry of Forestry
MoHA	-	Ministry of Home Affairs
MTR	-	Mid-Term Review
NGO	-	Non-Governmental Organization
NTFPs	-	Non-Timber Forest Products
PCU	-	Forest Patrol Units
PHKA	-	Directorate General of Forest Protection and Nature
SAR	-	Staff Appraisal Report
VCA	-	Village Conservation Agreement (<i>Kesepakatan Konservasi Desa</i>)
VCG	-	Village Conservation Grant
WARSI	-	Sumatran Conservation NGO Network (<i>Warung Informasi Konservasi</i>)
WWF	-	World Wide Fund for Nature
ZPK	-	Special Use Zone (<i>Zona Pemanfaatan Khusus</i>)
ZPT	-	Traditional Use Zone (<i>Zona Pemanfaatan Tradisional</i>)

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IMPLEMENTATION COMPLETION REPORT

INDONESIA

Kerinci Seblat Integrated Conservation and Development Project

(Loan No. 4008-IND)

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Map No. IBRD 27251R

<i>Project ID:</i> P004014	<i>Project Name:</i> KERINCI SEBLAT ICDP
<i>Team Leader:</i> Asmeen Khan	<i>TL Unit:</i> EASRD
<i>ICR Type:</i> Core ICR	<i>Report Date:</i> June 27, 2003

1. Project Data

Name: KERINCI SEBLAT ICDP *L/C/TF Number:* CPL-40080; SCL-4008A;
SCPD-4008S

Country/Department: INDONESIA *Region:* East Asia and Pacific
Region

Sector/subsector: Other social services (100%)

Theme: Land management (P); Civic engagement, participation and community driven development (P); Other rural development (P); Biodiversity (S); Environmental policies and institutions (S)

KEY DATES

	<i>Original</i>	<i>Revised/Actual</i>
<i>PCD:</i> 11/18/1991	<i>Effective:</i> 08/14/1996	08/14/1986
<i>Appraisal:</i> 05/05/1995	<i>MTR:</i> 04/28/1999	04/28/1999
<i>Approval:</i> 04/30/1996	<i>Closing:</i> 09/30/2002	12/31/2002

Borrower/Implementing Agency: The Government of Indonesia/The Ministry of Forestry, the Ministry of Home Affairs, and local governments

Other Partners:

STAFF	Current	At Appraisal
<i>Vice President:</i>	Jemal-ud-din Kassum	Jean-Michel Severino
<i>Country Director:</i>	Andrew D. Steer	Dennis N. de Tray
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<i>Team Leader at ICR:</i>	Asmeen Khan	Ben van de Poll
<i>ICR Primary Author:</i>	Asmeen Khan; Kathleen Mackinnon	

2. Principal Performance Ratings

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HL=Highly Likely, L=Likely, UN=Unlikely, HUN=Highly Unlikely, HU=Highly Unsatisfactory, H=High, SU=Substantial, M=Modest, N=Negligible)

Outcome: U

Sustainability: UN

Institutional Development Impact: M

Bank Performance: U

Borrower Performance: U

QAG (if available)

ICR

Quality at Entry:

U

Project at Risk at Any Time: Yes

3. Assessment of Development Objective and Design, and of Quality at Entry

3.1 *Original Objective:*

3.1.1 The objective of the Kerinci Seblat Integrated Conservation and Development Project (ICDP) as stated in the Staff Appraisal Report (SAR) and the Loan Agreement was “ ... to secure the biodiversity of the Kerinci Seblat National Park (KSNP) and stop further habitat fragmentation by: (a) improving Park protection and management, including the involvement of local communities; and (b) promoting sustainable management and the maintenance of permanent forest cover in the remaining buffer zone concession areas.” The original project was conceived as the first six-year time-slice of a much longer program that would be required to elevate the park to a fully protected and functioning conservation estate, supported by local government and integrated with regional development. The project proposed developing an integrated conservation and development model which could be replicated and applied to other parks in Indonesia's protected area system (and elsewhere in Asia), focusing on reconciling regional and district development with conservation.

3.1.2 The ICDP was to pursue a two-pronged approach of stabilizing the park boundary and protecting biodiversity through the provision of alternative livelihood options to communities living next to the park. The project design proposed an integrated approach including: (a) linking park management to regional development and spatial planning; (b) coordinated implementation; (c) regular monitoring and enforcement; (d) increased staffing and in-service training; and (e) improved resource management and service delivery. The project concept recognized the need to decentralize management authority to local agencies and governments and to develop a better approach of involving local communities and non-governmental organizations (NGOs) in management decision-making concerning boundary demarcation, land use and buffer zone regulations.

3.2 *Revised Objective:*

3.2.1 The original objectives of the project remained unchanged. However, the project's Mid-Term Review (MTR) in 1999 and a "strategic framework and action plan" prepared in February 2001 revised the project's scope (e.g., a reduction in the number of villages to be facilitated from 134 to 75) and refocused project activities based on issues having an impact on implementation (e.g., decentralization, and a breakdown in governance and law enforcement). Several new activities were also included, such as integrated anti illegal-logging activities at the level of the Local District Governments (*Kabupatens*), integrated village planning and awareness in three focal areas, and the preparation of technical briefs supporting the repatriation of key biodiversity areas in adjacent forest concessions. These revised activities were implemented over the last eighteen months of the project's life.

3.3 *Original Components:*

3.3.1 The project had four components. The projected costs included price and physical contingencies.

3.3.2 **Component A: Park Management** [Global Environment Facility (GEF) financed: estimated cost \$13.4 million; actual expenditures \$8.6 million]

In line with the short- (1-2 years) and medium-term (3-12 years) objectives of the park management strategy, the component aimed to strengthen park protection, management, enforcement and participatory planning through institutional strengthening of park personnel, training and infrastructure support. It also aimed to support boundary rationalization activities, species inventory, ecological monitoring, socio-economic and other research necessary for park planning and buffer zone planning and management.

The component was implemented by the Director of the KSNP and staff supported by technical assistance. The project was designed to support: (a) the legal establishment of the park through formal gazettement and boundary rationalization; (b) the mobilization of senior and junior staff, including technical assistance and training; (c) the preparation and implementation of a management plan with a zoning system; (d) the reinforcement of park protection and management, including coordination with local government; (e) the effective protection of ecosystems and endangered species; (f) the establishment of an effective monitoring and evaluation (M&E) system; and (g) the establishment of facilities for recreation and education.

3.3.3 Component B: Area and Village Development [Bank financed: estimated cost US\$25.9 million; actual expenditures US\$6.3 million]

The component was designed to improve land-use planning, land-use rights and community resource management in and around 134 villages adjoining the KSNP in order to take pressure off the KSNP, where encroachment from farming had become a major threat to the forest. The strategy used was to raise community awareness of the importance of, and the threat to, this unique resource, and to provide grants for investment in village infrastructure and farms outside the park. The key instrument used was the negotiated Village Conservation Agreement (VCA) in which villagers agreed to a planned resource development compatible with conservation. In return, the villagers were to receive the Village Conservation Grants (VCGs) and recognition of *de facto* land use in the park. The World Wide Fund for Nature (WWF) and the Sumatran Conservation NGO Network (WARSI), a local NGO, played a key role in the planning and implementation of this component through the provision of local facilitators.

3.3.4 Component C: Integrating Biodiversity in Forest Concession Management [GEF financed: estimated cost US\$2.9 million; actual expenditures US\$1.8 million]

The component focused on forest concession areas because of the high level of biodiversity of hill and lowland forests in nine active forest concessions around the KSNP. In the initial proposal for the KSNP (made in 1982) these forests had been part of the protection forest and still constituted a valuable part of the forest ecosystem. This component was designed around four major activities: (a) training for concessionaries and provincial forest agency staff to promote enhanced biodiversity conservation within forest concessions; (b) independent audits of logging operations; (c) surveys and assessments to identify areas of high biodiversity value within concessions; and (d) community forestry activities in logged-over and un-logged production forests for 24 of the 134 identified ICDP villages. These activities were additional to (and built on) the detailed rapid biodiversity assessments conducted by the Center for International Forestry Research Conservation and WWF (with Japanese Grant Facility - JGF - resources) which identified the KSNP as an area of high biodiversity value.

3.3.5 Component D: Monitoring and Evaluation [IBRD financed; estimated cost US\$3.8 million; actual expenditures US\$2.1 million]

The component was a support component linked to Components 1, 2 and 3 and aimed to provide a system: (a) to monitor the integrity of the park at the landscape level; (b) to monitor and evaluate forest management in the neighboring concessions; (c) to analyze the impact of rural development activities; and (c) to provide appropriate tools for monitoring encroachment, poaching and other development impacts. The M&E component was also expected to analyze the impact of rural development activities on the park.

3.3.6 Support activities included within the components were:

(a) **Policy Planning** [estimated cost US\$1.7 million; actual expenditures US\$0.9 million] This activity proposed: (a) to provide short-term planning support to the Ministry of Home Affairs (MoHA) and

the National Development Planning Agency (BAPPENAS) and long-term support to the province and *Kabupaten* for improved spatial planning activities; and (b) to prepare a comprehensive spatial plan for the project area - the Inter-Provincial Spatial Plan Study (ISPS).

(b) **Training and Community Facilitation** [estimated cost US\$6.1 million; actual expenditures US\$1.7 million] This activity was to provide: (a) specific capacity-building support for local stakeholders involved in implementing the ICDP; and (b) community facilitation services contracted through local NGOs (WWF and WARSI) to prepare the VCAs and to prepare participatory village plans for the use of the conservation funds.

(c) **Conservation Awareness** [estimated cost US\$1.3 million; actual expenditures US\$2.5 million] The Biodiversity Conservation Promotion Program was designed to play a key role within park management and rural development activities and to support the dissemination of information to people in boundary villages, government agencies and the community at large concerning the park's value for biodiversity, water-shed protection and local development. Activities included surveys of current awareness levels and attitudes, and the design of multi-media programs aimed at specific target groups.

(d) **Studies** [estimated cost US\$0.8 million; actual expenditures US\$0.2 million] Three studies were identified at the time of appraisal:

- (i) Financial sustainability: to review the feasibility of establishing a trust fund or other financing mechanism for the park;
- (ii) Ecotourism: to assess the potential and constraints for KSNP to be a eco-tourism site; and
- (iii) Kubu Assistance Plan: to collect base-line information on the Kubu people and their use of park resources, and to develop an action plan in the event that restrictions were to be imposed on resource utilization in the park and buffer zones.

3.4 Revised Components:

3.4.1 Several changes were made to the project's design prior to implementation. These included packaging of the Conservation Awareness activity as part of park management. The financial sustainability study was dropped, and the eco-tourism study was included as part of Component A. During implementation, certain activities under Component C (specifically those activities designed to support sustainable forest management and sustainable collection of non-timber forest products - NTFPs) were dropped because decentralization and illegal logging had created a situation where there was no longer an enabling environment conducive to success. Similarly, community forestry was never actively promoted although one concession in Pesisir Selatan (Duta Maju Timber - DMT) was assessed for its potential for community forestry. Instead, this Component focused on: (a) the independent audits of all nine concessions; (b) biodiversity assessments, specifically targeted to areas of high biodiversity with potential for repatriation to the park; (c) an assessment on NTFPs; and (d) the issuance of local forestry laws by the *Kabupatens*.

3.4.2 **Stabilizing Agricultural Encroachment in Focal Areas Through Special Use Zones:** Following an "unsatisfactory" rating on project implementation in late 2000, a revised strategy and action plan was developed and finalized in May 2001. The main strategy change for this component was an agreement to

concentrate on three focus areas. These were areas of special biodiversity significance and high risk that lay within the gazetted park boundaries. The three areas were Sungei Kalu II, Muara Hemat complex of three villages, and Tanjung Kasri/ Renah Kemumu. The strategy was to reach an agreement with the community on management of these areas in the park - called co-management of Special Use Zones (ZPK) - and to pilot the management, all within the remaining 18 months of the project period. This strategy was recommended as a basis for integrating park enforcement and boundary demarcation activities with conservation awareness and for strengthening linkages to village development activities.

3.4.3 Anti Illegal-Logging Activities: The focus of this revised activity was to establish an Integrated Team (*tim terpadu*) approach at the *kabupaten*-level, chaired by the *Bupati* (District Head), to integrate and focus anti illegal-logging activities (such as confiscating trucks, collating information, increasing awareness and closing down illegal saw-mills). Block grants were provided by the project to *Kabupatens* to finance these activities.

3.4.4 Kehati Small Grants Program (reallocated US\$ 0.26 million): Because of problems in commissioning individual biodiversity research by the Directorate General of Forest Protection and Nature (PHKA), the agency contracted the Indonesian Biodiversity Foundation (*Yayasan Kehati*) to manage a program of small research grants. The grant program was to support biodiversity and socio-economic research on the park, to encourage local researchers and NGOs from the four provinces to develop an interest in the KSNP, and to develop a local constituency.

3.5 Quality at Entry:

3.5.1 Overall, the "Quality at Entry" of the project is judged to have been unsatisfactory. The project's primary biodiversity and environmental objectives were fully consistent with Indonesia's biodiversity and GEF priorities, as identified in the Indonesia Biodiversity Strategy and Action Plan (1993). The Government of Indonesia (GOI) was committed to testing the ICDP model at Kerinci as a pilot program to integrate conservation and regional development. Kerinci Seblat is a declared Heritage Site of the Association of Southeast Asian Nations and is recognized as an area of global biodiversity importance. The park (the largest conservation area in Sumatra) and surrounding hill and lowland forests together support one of the largest and most important tracts of tropical forests ecosystems within Southeast Asia. GEF support was justified for the project.

3.5.2 The first project identification mission (in September 1991) identified the need for a multifaceted ICDP, including integration of the KSNP with regional planning and development. A feasibility study identified the need for local people's participation in project preparation and recommended that several options be explored, including strengthening of capacity in local NGO networks. Consultant services for preparation were procured in early 1992 to prepare an investment proposal. In early 1993, because of criticism from several national and local NGOs about the limited participation and ownership of the project design, the Bank and the GOI extended the preparation period using a JGF grant to include a greater focus on regional development and planning, biodiversity inventory, local level base-line socio-economic and landscape surveys in ten villages with WWF and WARSI, strengthening community participation, and a regional environmental assessment. The NGO facilitation and preparation provided the project with an opportunity to pilot and design village facilitation modules during project preparation. The project also embarked on a series of workshops for preparing Participatory Plans involving stakeholders from the four provinces to ensure a clear understanding of and support for the project.

3.5.3 The final project design, though complex and involving multiple agencies at the national and local level, reflected input from project stakeholders and had multiple components dealing with park

management, village development, spatial planning, activities in forest concessions in the buffer zone and landscape monitoring. The forest concession component was included because of the biodiversity importance of lowland forest which had earlier been excised from the proposed park area. These components were designed to be implemented by three central government implementing agencies (PHKA, the Department of Regional Development (BANGDA), and the Directorate General of Forest Management - BPK) and nine *Kabupatens*.

3.5.4 The nature of the design thus led to a breakdown in the integrated nature of the project, with each agency developing its own "sub-project" within the overall project design and developing its own technical assistance packages. The project design did establish a national project steering committee under BAPPENAS, but this rarely functioned and no one agency played the role of "project integrator". The one successful innovation of the project design was to establish an Inter-Provincial Coordination Committee (IPCC) which supported semi-annual meetings between all agencies involved in implementing the project. The overall project design was ambitious and complex, and depended on multiple institutions working in an integrated manner, a very difficult task in the Indonesian context. The project also tried to test the hypothesis that integrating village-level development interventions with protected area management would result in better biodiversity conservation outcomes.

4. Achievement of Objective and Outputs

4.1 Outcome/achievement of objective:

4.1.1 What would have happened without the ICDP? Would the park have continued to exist as a contiguous protected area, or would the biodiversity conservation value have been severely diminished through fragmentation by road construction, forest conversion, illegal logging and poaching? This question can be answered through the analysis of forest cover monitoring data, comparison with other Sumatran national parks, and analysis of available biodiversity data (Annex 10). What is most striking about the data is the lack of linkage between development investments and conservation of biodiversity, the major focus of the project. Data presented in Annex 10 show that during the project period (1995-2001) the greatest rate of forest loss in KSNP was in the *Kabupatens* Kerinci and Solok which received the largest proportion of VCGs. This indicates that the linkage between village/district level activities and biodiversity conservation failed.

Overall Conservation of Biodiversity

4.1.2 The original gazettement Ministerial Decree (901/kpts-11/99) for the KSNP established a national park of 1.375 million ha in 1999, the largest terrestrial park in Sumatra and the third largest in Indonesia. The forest cover for the KSNP in 1995, prior to the start of the project, was 1,268,328 ha. The most recently analyzed Landsat satellite imagery for 2001 shows a forest cover of 1,249,129 ha. This indicates a forest loss of 19,000 ha over a period of six years during the period of project implementation, equivalent to a forest loss of 0.28 per cent per year within the park. During this period, other national parks (such as Gunung Leuser and Bukit Barisan Selatan) lost nearly 2 per cent per year of forest cover. Analysis of forest loss in ICDP villages compared with non-ICDP villages, however, showed no significant difference in the reduction of forest loss. This implies that the presence of the ICDP did make a significant impact in protecting the park and preventing forest loss, although the actual village development investments were not the principal reason. A major role played by the ICDP was to ensure that local governments maintained their commitment to loan covenants not to build new roads through the park during the project period. This commitment was maintained, and several significant road development plans (such as the Muara

Labuh-Kambang road in West Sumatra) were stopped because of central and provincial government interventions. However, the sustainability of this commitment remains to be seen, with the recent development (after project closure) of the Tanjung-Kesri road in Kabupaten Merangin which has up-graded a seven km road to a village enclave within the park.

4.1.3 The park and surrounding forest concessions cover a major block of tropical forests and provide one of the largest intact forest ecosystems in Southeast Asia. Nevertheless, efforts to maintain low-lying, species-rich forests outside the park's boundaries have not been successful. Forest loss in forest concessions adjacent to the park was almost four times (at 1.02 per cent per year) the level experience inside the park during this period. Total forest cover in the nine adjacent concessions during 1995 was 480,596 ha. In 2001, forest cover was 412,456 ha, a loss of 68,140 ha of lowland rain-forest. Proposals to return the biologically-important Sipurak Hook and the Rimba Kariya Indah Finger to the park would enhance biodiversity values but have been stalled for two years within the Directorate General of Forestry Mapping (BAPLAN) in the Ministry of Forestry (MoFr) as they require a letter of recommendation from the local parliament and provincial governor. Similarly, important habitats for elephants in lowland forest concessions are being lost while MoFr delays decisions concerning revoking concession status and reallocating remaining forest lands to conservation status.

4.1.4 Although significant funds were invested in M&E, the focus was on landscape-level monitoring and only limited data is available on threatened species within the park. Sumatran rhinoceros numbers are known to have declined to such a low level that the Kerinci population is probably no longer viable. Poaching of timber, tigers and birds for trade continues within the project area, and efforts to strengthen protection of habitats and endangered species under the project have to be considered a failure. Clearance of forest habitat at the foot of Gunung Kerinci has almost certainly led to local extinction of the rare and endemic Schneider's Pitta, a reclusive bird only rediscovered in the park in the late 1980s.

4.2 *Outputs by components:*

Component A: Park Management

4.2.1 **Park Establishment:** The KSNP was fully gazetted as a National Park in 2000 after a complex, eleven-step process including boundary demarcation and rationalization. It was the first National Park in Indonesia to be legally gazetted. Proposals are currently under discussion to return key biodiversity areas in forest concessions in the Sipurak Hook and Rimba Kariya Indah Finger area to the park. This repatriation of approximately 30,000 ha of lowland rain-forest to the park would be a major contribution towards realizing the project's biodiversity objectives, as lowland rain-forests are one of the most threatened ecosystems in Sumatra. Nevertheless, disputes over park boundaries continue both with local communities and with surrounding forest concessions (HPH). Agricultural encroachment continues, even in high-profile, easily-accessible areas such as Mount Kerinci.

4.2.2 **Park Management:** A management plan has been prepared and is being used as the basis for the preparation of annual work plans. A base-line of forest cover has been established for landscape monitoring, and Geographic Information System (GIS) capability provides a tool for identifying "hot spots" for encroachment and management decisions. The park has been zoned according to different land use and conservation objectives, and pilot measures have been tested (and found wanting) in two Special-Use Zones (ZPK) to address boundary stabilization in occupied and encroached areas within park boundaries. An eco-tourism plan has been developed, identifying potential visitor sites and needs for visitor facilities and management. Law enforcement has consistently been weak, and this aspect of the project has clearly failed. This is a governance issue. Park staff have been poorly motivated and poorly supported in

applying protection measures. Local government and central PHKA have provided little or no follow up or support when those responsible for illegal activities are apprehended. It is particularly disappointing that the KSNP has failed to stop new encroachment along the boundaries of Mount Kerinci and Mount Tujuh, areas that are high profile and easily accessible for monitoring and patrolling.

4.2.3 Park Buildings, Civil Works and Equipment: Overall, the civil works financed under the project (guard posts, extension centers, provincial offices and watch towers) were of poor quality and have not been well maintained. Overall supervision and quality control from PHKA was limited, and little effort was made on improving standards. Much of this was due to local contracting at the *Kabupaten*-level. As part of the MTR, the Bank stopped financing civil works without prior approval and packaging into national competitive bidding packages.

4.2.4 Research – Small Grants Program: The project had two windows for research: research funding for park management, which was never used, and a Small Grants program run by the Indonesian Biodiversity Foundation. Management-oriented research needs have been identified in the management plan but this framework was completed too late in project implementation for research to be initiated under the project. The Kehati Small Grants program over the two years prior to December 2002 supported 34 small research projects undertaken by staff from local universities within the four provinces. The program also supported training for local researchers and the preparation of awareness materials and local field guides.

4.2.5 Strengthened Park Institutional Capacity: The project has stimulated the mobilization of additional senior and junior staff, with the number of park staff increased from 71 to 180 (164 regular and 16 contractual staff), mostly by recruitment of additional field staff (Polhut, now 101). There are now 23 graduates working for the park, including the park director. PHKA has strengthened the senior management with the creation of four regional (*Sekwil*) positions in the provinces, filled by graduates. The park has benefited from recruitment of eight forestry graduates, the first time that university graduates have been recruited for such positions. The park now has a core group of dedicated and motivated staff. Nevertheless, in spite of increases in field staff and new leadership, park performance on protection and enforcement has been poor. Park staff have benefited from training in field training and transect surveys, information management (including GIS as a monitoring tool), search and rescue, extension, as well as study tours to other national parks (both within Indonesia and to Malaysia).

4.2.6 A key constraint throughout project implementation has been poor and indifferent coordination and collaboration between different agencies within the MoFr. For instance, the Directorate General of Forest Management has failed to support the National Park Office (BTNKS) in addressing violations by concessionaires logging within the park boundaries or within the three km "no-take" zone around the park. The BAPLAN has been slow in following up on proposals to repatriate important biodiversity areas back into the park even where local government has approved such repatriation. Even under the project, the MoFr failed actively to encourage strengthened collaboration and joint operations between the KSNP, the provincial Regional Conservation Agency and Dinas Kehutanan to support park management objectives. The designation of the KSNP as one of the nine priority parks within Indonesia with access to special budgets for such collaboration provides a mechanism for future cooperation and sustainability of park activities. However, unless the perennial issue of budget delays is addressed it seems unlikely this will have much impact.

4.2.7 The KSNP has used the guidelines of the International Union for the Conservation of Nature to monitor Protected Area management effectiveness across the project's lifetime. The results show some progress in improving management effectiveness overall (see Annex 11), and especially in strengthening operational training and effectiveness. Nevertheless, institutional and enforcement weaknesses still need to be addressed.

4.2.8 **Enhanced Conservation Awareness:** Although awareness and outreach was always identified as a key strategy for promoting the ICDP concept, this component started slowly. During the last two years of the project, an integrated awareness campaign was initiated involving newspaper articles, radio spots and talk shows, road-shows and leaflet distribution and is now underway. A new interpretation center has been established at Sungai Penuh and is well-used by local school children. The project has paid for the preparation of awareness and outreach materials, but there was too little emphasis on capacity building for new KSNP staff directly responsible for awareness and outreach and for training of outside users (such as local teachers). Conservation awareness and outreach activities were undertaken under several components. The park has a well-established and well-visited website (kerinci.org) and has produced several editions of a newsletter for children (*Si Tapir*).

Component B: Area and Village Development

4.2.9 **Processes:** The chief processes to be developed by the component were: (a) the process to involve communities in long-run biodiversity conservation, which was part of the overall biodiversity strategy; and (b) the process for village development in buffer zones adjacent to sites of at-risk biodiversity which was part of the overall area development strategy. The processes were linked at the village level through the VCA.

4.2.10 **Community Involvement and the VCA:** The VCA was the mechanism used to link communities with conservation and development. In the VCA, a community agreed to carry out certain activities (such as marking boundaries of their traditional forest-use land, tree planting in degraded areas, protection of water sources) and agreed not to carry out certain other activities (such as collecting NTFPs or farming in the park). In return, the community received goods, money to fund cooperative credit, and technical assistance to support a negotiated program of investments in physical infrastructure and in agriculture and related activities. Signing of the VCA by the community and the local government formalized the commitment, rights and responsibilities of both parties and released the VCG to fund the village development program. The grant was in the form of village infrastructure support, agricultural inputs, or revolving funds for income generating activities (such as cattle fattening). This was expected to bring incentives into line to result in both sustainable conservation of the forests and permanent improvements in the living conditions and incomes of the villagers. The villagers would get the grant and local government recognition of their land use, while the local government would get economic development and decreased land-use conflicts.

4.2.11 **Legal Status of the VCA:** The legal status of the VCA (other than as a project-mandated document during the project period) is not clear. Certainly, since the 2000 Regional Autonomy Law local government recognition is more compelling than in prior years but there are no sanctions apparent for breaking the covenant and local government recognition of use of National Park land for farming is of little use. One view is that the VCA provided a platform around which to structure interventions, and its relative advantage over other process instruments has not yet been demonstrated. Using simpler means to reach a critical mass, or even all, of the villages in the buffer zone may have produced a better outcome in terms of reaching the priority objective of biodiversity conservation. While elegant in concept, it consumed a lot of "social energy" and good will but often led to failed expectations when promises could not be honored.

4.2.12 Process Achievements: While the process used for village engagement seems successful, the project did not demonstrate either an effective process for using this involvement for long-run biodiversity conservation or village development in buffer zones adjacent to sites of at-risk biodiversity which was part of the overall area development strategy.

4.2.13 Outputs - Conservation Agreements: The main output indicator was the signing of the VCA. The SAR target was to reach formal agreements with 134 of the (approximately) 460 villages in and around the park. This was reduced to 75 at the MTR in 1999 because the slow progress in getting communities to meet the conditions of the VCA made it clear that the target would not be reached by the end of the project. At project closing, the actual achievement was 72 signed VCAs. Of these, three were dropped from the program because of continued logging or other violation of the Agreement, to leave 69 with effective VCAs. Of these, 26 had met the conditions of receiving the grant by March 2001. The remaining 46 met the conditions in the year prior to closing and were possibly rushed through following concerns expressed by BANGDA (and WWF) that there were implied contractual obligations with facilitated villages. Anecdotal evidence suggests that the default rate on these is high, given that there was insufficient time for post-grant supervision and technical assistance prior to closing. At a maximum, achievement of this output indicator of effective VCAs was 50 per cent of the SAR target (69 of 134).

4.2.14 Part of the ineffectiveness of the VCA lay in the difficulty in reaching a signed VCA. The complexity of the process was caused by the uncertain relationship between the conservation requirements and the development grant, and the institutional implications of the recognition of land-use rights in the document. The VCA progressed through three drafts. The first of these required an agreement within the community on present and future land use, not an easy thing to reach since the burden on incomes would not have fallen equally. The second and third drafts were even more difficult since they required the various government agencies to make decisions on land use and rights. It appears that the major delay was in the National Park/MoFr clearance. Year I and II villages were even required to prepare five drafts.

4.2.15 Output Indicators for Conservation under VCAs: No direct indicators (or indirect indicators such as market activity in NTFPs) seem to have been monitored under this component. It would have been difficult to identify which NTFPs came from the park and which from the customary-use forests. Data monitored in other components indicates that there was no difference in deforestation rates in villages with VCAs compared to those without. The only output indicator proxy was the Participatory Monitoring Report of WWF which indicates that many conservation activities defined in the VCAs were not being carried out.

4.2.16 Output Indicators for Village Development - Infrastructure: Of the infrastructure, the micro-hydro electricity generators and clean water/sanitation activities were the most effective and were appreciated by the recipients. A definite benefit directly attributable to the project was the introduction, acceptance and continuation of pricing of delivery of these services and using the income for operation and maintenance. These appear likely to be maintained. Village roadworks were contentious and are unlikely to be maintained. At project closing, infrastructure in nine villages remained unfinished. Project payment to villagers for labor contributed temporarily to increased incomes.

4.2.17 Output Indicators for Village Development - Agriculture and Related Activities: No output indicators were used to measure changed cropping patterns or technology. The report of the technical assistance team estimated that 6 out of 72 participating villages showed clear improvement with project assistance, while many of the others preferred to stay with traditional farming practices. This may have been because of a reluctance to reallocate family labor from profitable cinnamon cropping in the forest to the agreed cropping changes sponsored by the project which were mostly not financially competitive with cinnamon/chili, cinnamon/coffee, or cinnamon alone.

4.2.18 Output Indicators for Revolving Funds: The detailed monitored output indicators for the revolving funds reveal an unsatisfactory position. These show disbursements to revolving funds but data is not shown for loan repayments to the fund, interest income, cash in hand or cash in the bank for most villages. Either this has not been reported by the villages or the information has not been forwarded by the coordination level. This is unsatisfactory and it is surprising that the M&E component would report a table of these indicators with the most common entry being "Data Not Available" and let this pass without comment. The narrative does report the expected corruption problems with revolving funds common in Indonesia. Attempts were upgraded to resolve these issues in the final year of the project, but experience has shown that revolving fund management requires several years of training followed by continuing technical assistance. There were just too many villages receiving the VCG in the final year to be effective.

4.2.19 Output Indicators for Area Development: The process of area development, while preserving biodiverse ecosystems, was not completed. Too few villages were involved to give a contiguous group that could be aggregated into a region and the GOI institutions, principally the MoF, were not ready to negotiate with communities in recognition of *de facto* land use and land-use rights. The ISPS report and maps prepared at the project onset were never used or implemented by local governments.

4.2.20 Special Use Zones: The revised strategy for piloting ZPKs failed to appreciate that the magnitude of long-run change that it proposed was not feasible within 18 months. This should have been clear after four years of struggling with conservation agreements for sites outside the park. More importantly, the strategy document promised land security and co-management in negotiated ZPKs within the park when by then it was quite clear that the negotiation process on land-use rights was going nowhere and that "co-management" within a gazetted National Park was ill-defined and without precedent. At project closing, all three pilots had failed. The community at Sungai Kalau II refused to sign the VCA because of a dispute over the VCG, the community at Muara Hemat was excluded after receipt of the VCG was followed by a resumption of logging, and at Tanjung Kasri the community was unable to reach consensus and sign the VCA by the Closing Date. Further, an illegal road to Tanjung Kasri (within the park) was constructed by *kabupaten* authorities. All three villages were left with failed expectations and perceptions of unfair treatment by the project. In fact, the only clear benefit as seen by the communities was the road itself, in direct contradiction to all the project was trying to do.

4.2.21 Better Linkages with Local Government, NGOs and Researchers: The project had substantial achievements in strengthening partnerships and networks with other agencies, especially local NGOs, and increasing the park's profile among local government agencies and local communities. During the project period, the KSNP was able to stop the expansion of roads and mining activities into the park and to raise the issue of park fragmentation and development impact on the park to the level of provincial and inter-provincial debate through the IPCC. As a result of the project, there is a constituency of Indonesian conservation professionals who have good understanding of the values and issues of the KSNP and who are likely to maintain their support and involvement in park conservation beyond the project lifetime. WARSI, formed in the early 1990s, has participated actively in project implementation and has now "come of age" as a widely-respected and active NGO. The regular IPCC meetings have proved an effective mechanism in

developing working relations between the park and local governments and a mechanism to raise issues of common concern (such as illegal logging).

Component C: Integrating Biodiversity in Forest Concession Management

4.2.22 Only two of the four activities (biodiversity surveys and independent audits) initially identified under Component C were undertaken. After the political change and economic crisis of 1998, decentralization led to increasing pressure on forest resources and to illegal logging and lawlessness in forest concessions. Under these circumstances, it was no longer relevant to focus on training of concessionaires and forestry staff in reduced impact logging techniques. Similarly, opportunities for promoting community forestry were limited, but at least one *kabupaten*, Pesisir Selatan, was provided with expert advice on the potential for community forestry within a previously logged concession area.

4.2.23 Independent audits were completed in all nine active concessions and reports were provided to the BPK. In general, these audits showed that concessionaires were logging in an unsustainable manner and not within their agreements. Several concessionaires were shown to be logging within the three km "no-take" zone adjacent to the KSNP boundary and at least one concessionaire (DMT) crossed the boundary and logged illegally within the park. In spite of these flagrant violations, the BPK took no action to revoke these concessions or to use these audits as justification for repatriation of certain high biodiversity areas within the concession (e.g., Rimba Kariya Indah Finger, Sipurak Hook) to the park. Instead, BPK intends to reassess these nine concessions as a priority in 2003 using the project-financed audits as a reference.

4.2.24 From 2001, the technical assistance under Component C focused on biodiversity assessments in six concessions with good blocks of closed forest adjacent to the park and known to have high biodiversity values (e.g., Serestra II, Rimba Kariya Indah and Bina Samaktha - an area important for elephants). Technical memoranda were prepared justifying the return of high value forests to KSNP for Sipurak Hook and Rimba Kariya Indah Finger, including economic valuation of their watershed benefits, and local government support was enlisted for these repatriations. Nevertheless, the Sipurak Hook area (13,600 ha) has still not been elevated to conservation status as part of KSNP, apparently because of the lack of effective cooperation between BAPLAN and PHKA at the central level of MoFr. Changing the status of these high biodiversity forests from production areas to park lands would slow inroads from illegal logging, rationalize KSNP boundaries and support the biodiversity objectives of the project. As with other components, valuable work was done under Component C but there has been no effective follow-up from PHKA or MoFr.

Component D: Monitoring and Evaluation

4.2.25 The M&E component supported a series of landscape monitoring activities, including field transect walks, fixed-point photography, socio-economic surveys, hydrological studies, data collection on illegal logging, and macro landscape monitoring based on Landsat and Spot GIS imagery and analysis. The park has acquired remote sensing data for 1995- 2002 and resources have been allocated for annual acquisition of digitized data. Several studies on modeling deforestation trends and predicting threats to the park were also financed under this component. The component established a library and information center and has also hosted and updated the park website (kerinci.org) which has received over 8,000 hits. A customized "threat management" data-base was designed, but never functioned. The technical assistance provided on-the-job GIS training to park staff, and the park is able to use the GIS data-base for landscape monitoring. Three park staff were trained by the project, and a new sub-unit GIS center has been established in Curup to cover the southern half of the park. The park has also approached several partners

to continue support for GIS capacity building. The GIS data-base appears of limited use for information management or patrolling activities, as it is incomplete and cannot be operated. The GIS system is used for printing basic field maps, or patrol activities.

4.3 Net Present Value/Economic rate of return:

4.3.1 At appraisal, it was recognized that no economic analysis could be carried out for the project as a whole because of the heterogeneous nature of the benefits sought and the near-impossibility of quantifying many of them. Rudimentary estimates were made of the potential economic benefits accruing to specific project activities and outputs. The biodiversity value of the park was estimated to have a Net Present Value of between US\$93 - 200 million; the costs (based on investment costs plus the logging benefits foregone) were a total of US\$93 million. Investments in park management and buffer zone protection were estimated at appraisal to be about US\$47.2 million and were considered to represent the minimum amount (or "cost of entry") necessary to safeguard the integrity of the park, whose total area and physical characteristics were dictated by the requirements of the predators and large herbivores the park was designed to protect. The study intended to review the feasibility of establishing a permanent mechanism for funding the recurrent and replacement investment costs of maintaining the park was dropped before implementation of the project began. The Area and Village Development (Component B) activities, including both infrastructure and on-farm development, were made the subject of a separate economic analysis at appraisal; even here, it was far from clear how farmers might be expected to adopt income-improving technology, and a "best-estimate" of an Economic Rate of Return (ERR) of 16 per cent was arrived at. In practice, the achievements under the component were so fragmentary that output indicators for village and area development were not able to provide a reasonable basis for an *ex post* re-calculation of the ERR. For Component C (Integrating Biodiversity in Forest Concession Management), an ERR of 15 per cent was calculated; however, the actual achievements under the component were limited to only two of the four programmed activities, and the limited results provide an inadequate basis for the *ex-post* re-calculation of the ERR.

4.4 Financial rate of return:

4.4.1 No financial analysis was carried out for any of the project's components or activities

4.5 Institutional development impact:

4.5.1 The overall institutional development impact was modest. The park is established and staffed with a fully-functioning GIS unit, significant numbers of staff, equipment and an operating budget. There is now an established working relationship with local governments through the IPCC to resolve issues concerning the potential impact of regional development on the park. The project, through its technical assistance and training activities, has provided a range of stakeholders with new skills and information. However, basic reforms in the way budgets are managed and in field staff performance are still limited. Law enforcement on issues such as illegal logging and poaching remains weak. Though the WWF has closed its office in Kerinci, WARSI was considerably strengthened under the project and is an active player in the province on forest policy and community-based resource management.

5. Major Factors Affecting Implementation and Outcome

5.1 Factors outside the control of government or implementing agency:

5.1.1 Several economic, political and legislative changes occurred during the project's life that had significant impacts on project implementation.

(a) **“Reformasi”**- the fall of President Soeharto in 1997, a year after Loan Effectiveness, resulted in significant political changes in local government and village administration. The "village resilience councils" established by the New Order government were in the most part replaced by local traditional decision-making bodies in areas such as West Sumatra (*Nagari*) and by elected village councils in other provinces. This change in village administration and leadership had an impact on village-level project administration and management as the new village councils had to be educated and socialized on the project goals, further delaying the village conservation agreements.

(b) **Economic crisis “Krismon”** led to the devaluation of the rupiah from Rp 2,300 to the US\$ in 1996 to the current value of Rp 9,000. This led to the cancellation of US\$9.0 million from the loan and to the reduction of the target number of villages from 134 to 75.

(c) **Decentralization** -The GOI passed two major laws in 1999 (Laws 22 and 25) which decentralized fiscal and political administration to the districts (*Kabupatens*); service delivery, previously managed by central government agencies, was handed over to them. National Parks stayed under central government control but their working relationships with local governments were not reconciled under the revised Forestry Law. Currently, the head of National Parks is of a lower administrative status than the head of the District Forest Service (*Dinas Kehutanan*) resulting in problems of coordination and joint program implementation.

(d) **Governance** - the weakening of central government authority, linked with a break-down in law enforcement, resulted in an increase in illegal logging and poaching in the park from 2000 onwards. The impact included an increase in the number of illegal saw-mills around the park (83) and increased violence and confrontation with park guards. In 2001, a complex of park building in *Kabupaten Kerinci* was attacked and burned by a group of illegal loggers and several park vehicles have been attacked since then. No-one has been prosecuted, so far, for these criminal acts.

Though project activities were revised to meet some of these new challenges, such as improved communications and coordination with local governments, the overall policy environment did not create the conditions necessary to implement a complex multi-institutional ICDP.

5.2 *Factors generally subject to government control:*

5.2.1 **Delays in the Budget:** Funds flow has been a major issue throughout the project's life, with regular delays in budget disbursements and no routine budget flowing from the Central Government Budget (APBN) allocation between January and March, the beginning of the financial year. The KSNP also has opportunities to access Reforestation Funds but, in the same way, these and other special budgets arrive late in the financial year which limits their usefulness. Late release of budget is a generic problem across all government institutions. The new Law (Law 42), which prevents multi-year budgeting, will further exacerbate budget delays and operational activities.

5.2.2 **Anti Illegal Logging and Law Enforcement:** The integrated *Kabupaten* anti illegal-logging teams confiscated over 2000 m³ of timber and 32 trucks, and closed 27 out of 83 (illegal) saw-mills. A number of *Kabupatens* (seven out of nine) also issued specific local regulations (fourteen *perdas*) to combat illegal logging and to close saw-mills. The most successful were Bengkulu Utara and Musi Rawas. However, overall very few individuals responsible for financially backing the illegal logging networks have been successfully prosecuted because of problems related to evidence and bureaucratic delays and to corruption in the judicial process.

5.2.3 **Finalizing Zonation and ZP:** More detailed evaluation is necessary, but it appears from the initial pilots that ZPK and Traditional Use Zone (ZPT) models are causing confusion, and other modalities should be sought for addressing the issues involved in the rationalization of park boundaries and human settlements within the park.

5.3 Factors generally subject to implementing agency control:

5.3.1 Positive Factors:

- (a) the PHKA established the park, increased the staff and budget, tried to establish a new system of Forest Patrol Units (PCU), and allocated significant resources from its budget to establish and maintain park operations (nearly US\$2.0 million over 6 years).
- (b) BANGDA/local governments increased support for the park through joint workshops, planning activities, and improved communication.
- (c) Local governments (provincial and *Kabupatens*) increased support for law enforcement, some *Kabupatens* issued local regulations banning illegal saw-mills, and the four provinces and nine *Kabupatens* issued a joint declaration supporting the park. The province of Jambi has established a permanent secretariat to continue to run the IPCC and to ensure that regional development activities are better integrated with park management and planning.

5.3.2 Negative Factors:

- (a) Limited focus on project management and on the identification of ways to improve and make more effective use of the budget and the technical assistance support provided by the project.
- (b) The PCU patrolling system has not been effective because of limited operational support. Much of the infrastructure financed by the project has fallen into disrepair because of its limited use and maintenance. Overall, park management performance has been poor.

5.4 Costs and financing:

5.4.1 See Annex 2.

6. Sustainability

6.1 Rationale for sustainability rating:

6.1.1 The overall sustainability of the project is rated as "unlikely" mainly because of the lack of regular budget and insufficient institutional capacity to implement the management plan.

(a) **Institutional Sustainability:** The KSNP has made some progress in ensuring institutional sustainability by restructuring park management and delegating responsibility and budget allocations to the four provincial sub-offices in Painan, Jambi, Lubuk Linggau and Curup. The proposal to raise the overall status of the park to "echelon 2", for better and more equal collaboration with local government departments, has not yet come about. The restructuring of field staff into PCUs should enable more effective use of the current work-force and resources in addressing protection needs, but will only prove effective with a concerted commitment to enforcement, including strong back-up and support from central PHKA and local government. Staffing needs, including retention of critical staff and training of additional staff in special skills (e.g., needs for GIS and awareness staff), still need to be addressed.

(b) **Financial Sustainability:** The KSNP is building strong partnerships with local government and other agencies, including tourism departments, and focusing on: (i) identification of new partnerships, projects and development activities that could contribute to support for KSNP activities and objectives; and (ii) identification of priority activities to be supported under the special forestry budget now that Kerinci has become one of the nine Priority Parks. However, these funds have yet to be approved.

(c) **Social Sustainability:** Increased focus has been put on out-reach and extension activities to build local support, including activities targeted towards local schools. The KSNP is also strengthening partnerships and linkages to *kabupatens* and provincial government and NGOs, especially through sharing information, resources and training opportunities.

(d) **Joint Operations:** Integrated Team (*tim terpadu*) collaboration against illegal logging will be continued under provincial budgets.

6.2 *Transition arrangement to regular operations:*

6.2.1 Overall, the transition arrangements to regular operations are limited.

Component A: Park Management

6.2.1.1 In spite of the economic crisis, the government maintained its budget commitment to the KSNP but only limited funds are available for operational expenses. A major problem remains, however, with delays and late disbursement of APBN routine and special budgets. This is a generic problem across all government institutions.

Component B: Area and Village Development

6.2.1.2 The four provinces and nine *Kabupatens* issued a declaration in 2002 establishing a permanent secretariat in Jambi to help coordinate IPCC activities, and several *Kabupatens* continue to finance the anti illegal-logging teams. However, there appears to be little follow-up of VCAs or VCGs by *Kabupaten* authorities.

Component C: Integrating Biodiversity in Concession Management

6.2.1.3 There has been minimal follow-up from the BPK on the results of the audits and field assessments.

Component D: Monitoring and Evaluation

6.2.1.4 The park GIS unit has adopted a partial cost-recovery system to cover its operational costs. The unit charges local governments, NGOs and other parties full costs for printing maps and provides a range

of other services. This has enabled them to generate sufficient revenue to maintain operations. The unit has three full-time staff, of whom two are on contracts and one is a regular park staff member, who received on-the-job training from technical assistance provided by the project. The information center is well used by local researchers and NGOs, and has contributed to strengthening local partnerships.

7. Bank and Borrower Performance

Bank

7.1 Lending:

7.1.1 The Bank's performance during project preparation was problematic, with four Task Team Leaders managing the preparation process. The initial investment reports financed by the GEF/United Nations Development Program preparation facility (1992-1993) were focused too much on the technical aspects of the project and did not focus on developing community, NGO and local government ownership of the design. The Bank attempted to rectify this through a subsequent preparation phase financed by a JGF grant (1993-1995). This phase also focused on preparing background studies necessary to meeting the Bank's environmental and social safeguards relating to resettlement and indigenous peoples. For example, a detailed study on the impact of the ICDP on the nomadic Kubu people was commissioned, which helped identify specific interventions to ensure that the design accommodated their needs. In addition, the regional environmental assessment identified the impact of roads on the loss of biodiversity and the excision of high-value biodiversity areas and their inclusion in forest concessions. This analysis also contributed to the inclusion of a component to improve biodiversity management in the adjacent twelve forest concessions.

7.2 Supervision:

7.2.1 The Bank provided significant technical assistance to the implementing agencies during implementation and made efforts to change and modify the project design to respond to the situation on the ground. For example, the Bank cancelled US\$9.0 million after the devaluation and reduced the number of villages for facilitation, to improve implementation. The presence of the task management team in the Resident Mission also contributed to regular contact and continuous supervision of the project and to the maintenance of a close and effective working relationships with the project management team. It is now clear that the Bank could have made better use of the MTR to restructure the village development component. One area of weakness was the implementing agency follow-up on recommendations made by Bank missions. This was often due to a lack of leadership at the implementing agency level.

7.3 Overall Bank performance:

7.3.1 The Bank's performance in project identification and design was unsatisfactory. Supervision performance was satisfactory. Overall Bank performance was unsatisfactory.

Borrower

7.4 Preparation:

7.4.1 Preparation of the overall ICDP was managed by BAPPENAS, which helped to coordinate between the implementing agencies (MoHA and MoFr) and the four provinces and nine districts. The initial preparation request - trying to prepare a large regional development intervention linked to a conservation project - was unrealistic. This lack of clarity led to a prolonged preparation process. In the end, the Bank agreed to finance a series of separate regional development projects in the four provinces to be linked to the ICDP, but the Bank ultimately only financed the Bengkulu Regional Development Project and it was not linked to the ICDP.

7.5 Government implementation performance:

7.5.1 During implementation, the central government agencies provided significant support to the park through budgets for additional staff, boundary demarcation, vehicles and by passing legislation formally gazetted the park. Overall financing by central government was 26 per cent of the project costs.

7.6 Implementing Agency:

7.6.1 At the national level, the key agencies involved (BANGDA, PHKA and BPK) provided varying levels of support. What was lacking was the integration of activities at the center. A key example of this was the lack of coordination between PHKA, BPK and the Bureau of Forest Planning (all located within the MoFr) to ensure that the concession audits and biodiversity assessments were used to improve forest management in the concessions and to repatriate areas of high biodiversity to the park. Of the three agencies, PHKA also faced major problems in managing its budget and in overall project management. One of the factors contributing to this were the multiple changes in the head of the national park and in the project managers responsible for implementing project activities.

7.7 Overall Borrower performance:

7.7.1 The Borrower's overall performance is rated as unsatisfactory, mainly because of overall project management and supervision.

8. Lessons Learned

8.1 A number of lessons was learned or reinforced during the implementation of the project. The most important were:

(a) **Project Design Needs to be Simple:** The project was probably overly complex, with too many activities and institutions involved and no overall coordination. The various institutions had different (and sometimes conflicting) agendas. Thus, BANGDA and provincial governments were primarily interested in development whereas the PHKA's main goal was conservation, with VCGs grants simply being a tool to achieve conservation. This lack of ownership of the conservation objective and the agenda for development drove the whole VCG activity and led to the disbursement of grants even where villages showed little commitment to conservation (i.e., the disbursement of the second tranche was driven by developmental rather than environmental performance). Similarly, the ambivalence and tension between development and conservation meant that neither conservation nor development objectives were successfully met. The project design led to packaging of different components across different institutions, a lack of integration, and the anomalous situation of village development and monitoring activities starting long before the main park management component which they were supposed to support. There was little attempt to integrate activities, especially at the park level. The IPCC was one mechanism to achieve coordination at the provincial level.

(b) **Linking Development with Conservation Goals:** The original project design was an ambitious attempt to integrate the national park and conservation objectives within regional and spatial planning (the ISPS was designed to support this but plans were never utilized). As preparation continued, the emphasis evolved away from major development planning to a focus on small-scale village development based on the (flawed) assumption that poverty and the lack of alternative livelihoods were driving

deforestation and agricultural encroachment into the park (they might have been a contributing factor, but were not the main one). In fact, some of the villages around Kerinci specifically targeted for ICDP interventions are some of the wealthiest villages in Sumatra. Development grants provided through the ICDP were always regarded as supplementary rather than alternatives to high-earning cash crops, such as cinnamon.

(c) **Conservation Needs a Longer Time-Frame:** The original project was conceived as a first six-year time-slice of a much longer program. It was always clear that the project was highly ambitious and would need a much longer time-frame to achieve real support for the park within the regional context. Nevertheless, there was never any commitment from the Bank to a multi-phased project (e.g., as might have been achieved *via* an Adaptable Program Loan) nor was any real strategy developed to ensure that provincial/*kabupaten* governments could sustain integrated activities beyond the project's lifetime.

(d) **Better Institutional Analysis:** An overall institutional analysis was not undertaken as part of project design. The institutional management structures, budget process, and coordination between institutions contributed to overall project failure. Budget flows and delays in budget delivery were a serious constraint which will be further exacerbated by the new Presidential Decree (*Kepres* 42) which prevents multi-year budgeting.

(e) **Ensure Integration of Activities in Project Design:** There has been poor integration and cooperation between institutions, even between different departments within MoFr (e.g., the failure of BPK and BAPLAN to address concession violations and repatriation of forest areas to the KSNP). This is directly related to the way that budgets flow and to the fact that there are no incentives for collaboration. The new focus on special budget for collaborative interventions around nine priority parks may help to address this problem, but only if the issues concerning budget flows and timeliness can be addressed.

(f) **Analyze the Incentive Structure:** Changing the behavior of societies is complex and slow, and understanding the incentives for certain types of behavior is of key importance. Where forests are also under threat from outsiders, unenforceable covenants of uncertain value are unlikely to be successful. One conclusion is that the same conservation benefits might have been achieved by a simpler project design focusing on interventions in all 460 villages and more directly concerned with conservation.

(g) **Law Enforcement and Governance:** The original project design recognized that a multi-pronged approach was necessary, including enforcement. Law enforcement with respect to park protection was poor even before reformation and decentralization. After decentralization, the break-down in law and order, illegal logging and encroachment have proceeded unchecked and are uncheckable. Even with Integrated Team activities, *bupatis* and *kabupaten* government have shown little commitment to closing down illegal saw-mills. Illegal logging is a major national problem. Conservation cannot work in a situation where there is no effective governance.

(h) **Ensure Technical Assistance has Ownership:** Considerable amounts of project resources were allocated for technical assistance, but there seems a general feeling of too much of it and too little management or evaluation of its activities by the institutions responsible. Technical assistance providers spent a lot of time on theoretical deliberations about management solutions, development of guidelines, etc. but were not held accountable for delivery of action and the achievement of impacts on the ground. This reflects a lack of serious ownership of technical assistance and its proposed activities by government institutions.

(i) **Monitoring:** The project provided resources for establishing GIS capacity and data-bases for monitoring, but neither the technical assistance providers nor park management have seriously considered appropriate levels of monitoring to meet park management needs to be sustainable beyond the project lifetime.

(j) **Accountability:** Project management combined a limited review and validation of project expenditure with weak internal controls. The string of weaknesses reported by both the Government Audit Agency (*Badan Pemeriksaan Keuangan Pemerintah*) audits and Bank supervision missions identified that the level of accountability exercised was far from expected standards, resulting in potentially corrupt and fraudulent expenditures. A key feature of future project design should be better accountability and transparency in the management of funds as part of project design.

9. Partner Comments

(a) Borrower/implementing agency:

Translated from Bahasa Indonesia

9.1 Background

Kerinci Seblat National Park (KSNP) is a natural conservation zone which has a unique ecosystem and its own management zoning system. The KSNP zones can support life and welfare of people, fauna and other living creatures around it. For example, these zones function as water catchment areas so that river water remains flowing even during the dry season.

One of the main threats for National Park conservation is pressure from communities living in the villages around the area, as well as communities outside the region. The low level of community welfare and law enforcement are predicted as potential threats to the conservation of the National Park.

Therefore, the management of KSNP and its buffer zone areas is using a program approach which is called ICDP (Integrated Conservation and Development Project), i.e. an approach which harmonizes natural resources conservation activities with integrated development and considers the social economic condition of the village communities around KSNP, focusing on several main problems, i.e., KSNP boundaries which are not recognized by some parties in the field, lack of quantity and quality of human resources, weak law enforcement, major impacts on KSNP conservation caused by illegal logging, road construction through KSNP, collection of wood and non-wood forest products, as well as poaching and mining.

The ICDP in KSNP has been implemented for six years, funded by the GOI and the World Bank, through the Loan No.4008-IND and the GEF Grant No.28312 TF.

The objectives of the ICDP as mentioned in the SAR are to protect and conserve biodiversity contained in KSNP and the surrounding area as well as stopping fragmentation of the habitat. This is implemented through the efforts of improvement of management and protection of the park, involving local communities in securing park boundaries and implementation of conservation actions in the support zone through continuous land utilization, increasing welfare of local communities, as well as promotion of continuous permanent forest management.

9.2 Project Design

The project design covers the overall objectives mentioned in the SAR, which is to strengthen institutions in the Region through integrated planning, coordinating the implementation and monitoring, and enforcement of rules in the Province and District; develop institutional capability through improvement of staff training and up-grading; and improvement of resources and services management. Project proposal to be implemented in the six-year period consists of four main components: (a) park management, (b) regional/rural development, (c) integration of biodiversity in HPH management and (d) monitoring and evaluation through support activities which include: (i) policy and planning support, (ii) community training and facilitation, (c) awareness campaign on the importance of conservation; and (d) biodiversity research.

To achieve the above objectives, this project is divided into four main components:

(a) **Component A: Park Management** (carried out by Directorate General of Forest Protection and Nature Conservation, Ministry of Forestry). Main activities of this component is the preparation and implementation of a park management plan, including zoning activities. This component will strengthen protection of park, management, empowerment and participatory planning through institutional strengthening including park personnel training and infrastructure support. This component also supports park boundary rationalization activities, species data collection, ecological, socio economy monitoring, and other studies which are considered necessary in supporting planning and management of the park as well as the buffer zone. This Component is carried out by Park Manager together with his staff, assisted by technical consultants, which consists of a Consortium of Park Management Consultants, Kehati Biodiversity Foundation (Small Research Grant) and WWF and WARSI for Village Facilitating NGO.

(b) **Component B: Area and Village Development** (carried out by the Directorate General of Regional Development, Ministry of Home Affairs.) This component is planned to improve land utilization planning, land utilization rights and community resources management in 134 selected villages in the interaction zone around the park, including villages next to or located in the HPH areas adjacent to the park. This Component is also based on participatory development processes by applying a four-step process as follows: situational evaluation, village development planning, implementation and monitoring and study as well as evaluation which will enable design revision to occur. The main objectives of this participatory development process is to obtain VCAs which contain village community commitment to support KSNP conservation. As appreciation of the village commitment, the community receives a VCG.

(c) **Component C: Integrating Biodiversity in Forest Concession Management** (carried out by Directorate General of Forest Production, Ministry of Forestry.) There were two sub-components in Component C (i.e., integrating biodiversity conservation and NTFP use in forest concession management) and a separate sub-component C.2, the independent (logging) concession audits. PT Sarbi Moerhani Lestari (national) implemented sub-component C.2, Jaakko Poryr Consulting (international) in collaboration with PT Tritunggal (national) implemented sub-component C.1 (d).

(d) **Component D: M&E** is carried out by the Directorate General of Regional Development of MoHA. This component is intended to support planning and decision-making processes in each Component to improve effective implementation of project management. Project monitoring activities support three main functions of monitoring and management of resources: (i) monitoring of technical

progress and finance, (ii) impact analysis, and (iii) performance evaluation.

(e) **Change in Project Design:** On May 16, 2001 changes were made to the project design (Strategic Framework) in order to comply with the situation and condition at that time which were quite different compared to the time of project design. The summary is as follows:

- Stabilization of boundary encroachment or opening of land and forest product utilization in focal areas through identification and management of joint management zones (ZPK and ZPT);
- Stabilization of boundary encroachment or opening of land, and decreasing the level of forest resource utilization in ICDP villages through VCA and VGA processes through intensive activities in three focal areas;
- Development of frame-works which integrate biodiversity through sustainable management of forest products in HPH areas and identifying areas which need repatriation based on the value of biodiversity and its ecological function; assist related agencies in fighting illegal logging by facilitating an Integrated Anti Illegal-Logging Team in the *Kabupaten*;
- Increase support for KSNP management, especially the District Administration and Communities living within as well as around the park; and
- Prepare a five-year management plan for the KSNP ecosystem and develop the capacity of the manager to implement the plan.

(f) **Illegal Logging:** These activities are: (i) anti illegal-logging campaign, (ii) eliminate illegal saw-mill operating in the *Kabupaten* and stop issuing permits for new saw-mills, (iii) confiscate illegal chain-saws, (iv) confiscate transport equipment with illegal logs and illegal non-wood forest products, (v) close logging roads in the park, (vi) stop illegal movement of logs and non-wood trading networks within the park area, and (vii) study and collect information related to log supply and demand in the region.

(g) **Project Location:** The ICDP is implemented in the KSNP and its buffer zone. The project area covers four Provinces (Jambi, West Sumatra, Bengkulu and South Sumatra) and nine Districts: (i) Kerinci, (ii) Bungo (formerly part of Bungo Tebo District), (iii) Merangin (formerly part of Sarolangun Bangko District), (iv) Solok, (v) Sawahlunto Sijunjung, (vi) Pesisir Selatan, (vii) North Bengkulu, (viii) Rejang Lebong, and (ix) Musirawas. The park area is located in the four provinces is: Jambi (32 per cent), West Sumatra (25 per cent), Bengkulu (25 per cent), and South Sumatra (18 per cent).

9.3 Project Implementation

(a) **Component A (Park Management):** One of the main outputs from Component A was the completion of the park's management framework for the period of 2002 - 2006. In addition, Component A has formulated park participatory management zones and special utilization zones and traditional utilization zones and efforts for their implementation were tested in Sungai Kalu II Village in Solok and Remah Kemumu Village, and Tanjung Kasri Village in Merangin.

Management of the ZPK and ZPT was implemented in focal areas which cover targeted activities which are included in the intensive community awareness campaign. In addition to ZPK and ZPT, joint management was carried out in forest areas. The legal status of the zoning (including ZPK and ZPT) was formalized through a Decree issued by the Minister of Forestry so there are no gaps or legal reasons anymore for forest violators to say that there are no clear boundaries. A strong legal base has been established for the

KSNP area.

(b) **Component B (Area and Village Development):** Component activities were supported by WWF/WARSI because their activities are focused on village participation process in the planning and utilization of village land, including provision of facilitators to ICDP Village community up to prepare a VCA which is a pre-requisite for a village to receive a VCG. Other support included human resources development in the village through training from Village Facilitators.

Out of the 134 target villages in the park buffer zone, only 75 villages could be facilitated. The reduction was based on the result of a joint review by the World Bank and the GOI, which decided that to achieve intensive assistance, the reduction of number of villages was needed. In the end, out of the 75 facilitated villages only 72 could produce a VCA, because three villages were excluded from the ICDP facilitated villages since no VCA could be reached.

All of the 72 villages have received a VCG stage I with a maximum amount of Rp.125,000,000 per village and a total amount of Rp.8,499,865,427, allocated for 396 activities and divided into 312 income generation activities and 84 physical and infrastructure activities. While for VCG stage II, only 19 villages were given a total amount of Rp.5,013,830,070 allocated to 155 activities and divided into 119 income generation activities and 36 physical and infrastructure activities.

VCG stage II could not be given to all facilitated villages because of several reasons, these include:

- VCG stage I was considered not successful based on a joint evaluation by all components related to ICDP.
- Non-compliance with the agreed VCA.
- Misuse of VCG stage I funds, either by the community, ICDP or village administration apparatus.
- Implementation time of VCG stage II which made it impossible considering implementation preparation including completion of VCG stage I.
- Other factors which resulted in VCG stage II not being disbursed.

(c) **Component C (Integrating Biodiversity in Forest Concession Management):** Based on the SAR and the Strategic Frame-Work which became the project design for Component C, several activities were implemented including biodiversity surveys in nine HPH/ex-HPH areas adjacent to the KSNP, so that distribution as well as prediction of population of several key flagship species which are in danger of extinction could be determined.

In addition to that, performance evaluation was also carried out on the nine HPH to find out how effective were existing sustainable forest management practices.

(d) **Component D (Monitoring and Evaluation):** Activities carried out by Component D included: monitoring of changes in landscape through remote sensing (GIS), monitoring changes in environment through transect walks, development of a data-base, development of a Web Site, Fixed-Point Photography, Data-Base, GIS, library development and management of the Web Site. To increase project socialization to all parties, particularly decision makers in the *Kabupatens*, Component D carried out "Road Shows" in all Provinces and *Kabupatens* related to the KSNP. Component D also conducted studies related to monitoring of changes in forest cover, social economic study, river watershed area study of priority watersheds.

9.4 Impact and Result of Project

Several results acquired as well as impact due to the implementation of the ICDP program could be seen from the increase in community awareness concerning conservation and protection of environment, particularly the national park, and changes in economic welfare in several ICDP-facilitated villages. On the other hand, there was an increase in agricultural productivity, agribusiness, cattle breeding and fishery in village community as a result of the ICDP facilitation.

While the results related to park management consist of training and research needs' assessments, children's information center, park management framework, working maps of the park, trained staff, KSNP data, regional folksong VCD as education material, eco-tourism guidelines, ZPT-ZPK agreements, management facilities, social economic and flora & fauna studies, posters, magazines, calendar, butterfly book, children magazine "*si tapir*" and the establishment of cooperation between KSNP and researchers from the local university, which directly or indirectly support in park management.

Institutionally there was an increase of awareness of integrated planning through the existence of Inter-Provincial Spatial Planning (ISPS) and District Land Utilization plans which could be used in planning environmentally-sensitive development models.

With the implementation of biodiversity surveys in all HPH/ex-HPH areas and the mapping of important biodiversity characteristics in HPH area, data of potential biodiversity which could be utilized and developed was identified clearly, in the framework of conservation of KSNP and other research activities.

HPHs outside the park have been comprehensively evaluated by an Independent Audit Team under the coordination of Component C. The result of the evaluation concluded that most of the HPH areas around the park were not suitable for sustainable management. These HPHs will be a priority for review by the eco-labelling foundation, whose evaluation will provide the basis for extension of the logging permits.

With the development of a Park Information Center, the park could present accurate data about the rate of damage to the park as well as predicting the level of damage in the future, which is very useful for the local districts.

The existence of the GIS, as well as the capability of the staff of KSNP Office to operate it, was very beneficial in looking for solutions of park areas overlapping with other land-use allocations.

The existence of the Web Site, which was managed professionally, represents the correct instrument for promotion of the park locally and abroad.

The existence of KSNP Information Center was not only used by the the park but also by other parties needing information about the park, so that it projects a positive image for the park.

An increasing commitment to eliminate illegal logging from the park can be shown by the existence of an Integrated Anti-Illegal Logging Team in each District. In certain Districts, in addition to using project funds, funds were also allocated from the *Kabupaten* budget.

The increasing awareness of *Kabupatens* about park conservation, including activities which were considered to harm or cause fragmentation to the park, were comprehensively studied or even cancelled, such as the construction of the Kambang Muara Labuh road in West Sumatra.

9.5 Follow-Up Activities

Activities which should receive priority for continuation includes:

- Continue the monitoring program in ICDP villages, so that the VCA can become a binding tool for the existence of collaborative management.
- Increase integration between related parties, starting from planning up to implementation to continue ICDP activities, for example activate a joint Secretariat as a communication and coordination forum.
- Look for funding alternatives to follow up on the VCG program.
- Follow-up KSNP management by formulating a policy on participatory management of natural resources and joint management.
- Follow-up activities of the integrated team in handling illegal logging in the *Kabupatens*.
- As one of the GOI commitments to conserve the KSNP and to continue important activities in the ICDP, MoFr has included the park as one of the priority parks among fourteen National Parks.
- Continue with the ZPT-ZPK finalization processes in three focal areas, and identify other locations to be developed with the same management process.
- Continue with increasing KSNP Office services to other parties by using the Information Center.
- Follow up repatriation in (a) PT Serestra II area (Sipurak Hook) of an area of 13,410 ha; (b) HPH of PT RKI (finger area) of an area of 21,266 ha; and (c) an area in North Bengkulu (Ex HPH of PT Maju Jaya Raya and Bina Samakta) of an area of 18,497.5 ha.
- Strengthen the KSNP Office and increase environmental education activities for children.
- Continue the inter-Province and inter-District cooperation signed through a "Memorandum of Understanding" in Sungai Penuh, Kerinci District on February 27, 2002, for Protection, Security and Conservation of the KSNP.
- Maximize and continue the Joint Secretariat which represents a follow-up to the agreement signed in Kerinci District.

9.6 Borrower Performance

Several problems arose internally which were mostly caused by the weak inter-ICDP related component coordination, which from the beginning did not have a clear coordination umbrella. The function of the National Steering Committee was only felt during the strategic frame-work and action plan revision for the ICDP in 2001. The impact of this lack of coordination of the ICDP components resulted in disharmony in policy-making at the implementation level and within each component.

The preparation of budget documents was complicated and took a long time also resulted in non-conformities between planned and implemented activities. It often occurred that change in project management staff resulted in the interruption of the project management plan so that the new staff made new changes resulting in implementation delays.

9.7 The World Bank Performance

The World Bank provided a loan and a grant to the Government through IBRD Loan No.4008-IND and GEF Grant No.28312 TF, and has the responsibility for the success of the project, therefore constructive recommendations and opinions on the performance and progress of project from the time of the SAR was made and the signing of loan and grant agreements up to the end of the project (closing date) are also the responsibility of the World Bank.

The role of the World Bank was quite significant in the preparation of SAR up to the signing of loan and grant agreements, which contained not quite perfect planning and implementation at the initial stage, so that they had to be modified and corrected in the subsequent stages.

Modification and correction of project implementation concept carried out sometimes did not consider various aspects and input from the many institutions related to ICDP, which gave the impression that the modification and correction were only partial in nature.

Working mechanism of the World Bank did not give full authority and freedom to the GOI to plan and implement practical activities in the field, and made it more difficult and slower in the implementation of the program and achieving project objectives.

The World Bank gave too much authority to consultants and were too rigid in project design, which resulted in weak project management creativity in response to implementation dynamics in the field. On the other hand, the World Bank also did not quite understand the prevailing conditions in Indonesia and the difficulties in project implementation.

For the executing agency, things mentioned in the *aide memoire* (as the result of the review mission) could be misinterpreted, whether they were just recommendations or something binding and must be carried out (for example provisions to limit or eliminate logging within three km from the KSNP boundary, is it valid during project period only and automatically revoked after completion of the project?).

9.8 Project Experience. Lessons and experience related to project implementation which can be taken for future project implementation are as follows:

(a) **Community Participation:** During the implementation of the ICDP there were many things learned about the development and implementation of participatory processes. Nevertheless, a lack of understanding still occurred in effective participation and involvement of the community participation of many parties would only mean several forms of consultation; nevertheless, the real benefit from participation only came from the distribution of power or local empowerment. Real participatory process involves the local authority to make decisions and take the responsibility for the consequence of the decision making. If local executing agency did not have enough authority to make the decision, participation will lead to a lack of mutual trust and the participants cannot fully appreciate the implication of policy change.

As mentioned, the most important lesson is the importance of local community participation in managing and getting benefit from resources being developed. This needs incentives which will encourage participation of the local community. As a consequence, the need to involve local communities in all stages of the project plan, from planning up to implementation, is most important.

(b) **Project Management and Organization:** Experience with this project suggests that with multiple implementing agencies involved in the implementation an overall coordinator is required to achieve effective results. This is visible through effective leadership for coordination of management, especially if each organization works with its different procedures.

There were several problems which needed confirmation from the World Bank, including which part of HPH areas which are still active (particularly in the HPH area of PT Duta Maju Timber, PT Serestra II and PT Rimba Karya Indah) should fall within the three km buffer zone from KSNP. Will this covenant still be valid after the end of the project?

Referring to this three km buffer zone, in accordance with the objectives of the ICDP project concession areas around the park should function as an effective buffer zone, logging should be prohibited within three km from the park's border. And in accordance with the problems in the field, if this three km radius is applied there will be several HPHs which could no longer be viable. This was an issue raised by the concessionaires before the project started. What is important is the issue of law enforcement. According to the current law, the buffer zone should be 500 m from the marked boundary and one km from an unmarked boundary. Once the project is completed, the buffer zone should revert to this standard.

In addition, several lessons beyond the participatory approach to village facilitation are:

- Strengthening KSNP protection in law enforcement only is not enough without identifying the social economic reasons for illegal logging.
- It is very important to identify all groups involved in implementation at the local level and to involve them in planning and the implementation processes from the beginning of the project. Creating awareness and interest among groups represents the most important thing.
- Relation between community development and natural resources protection and conservation must be clear.
- Participation and empowerment of the community are time-consuming processes, but without enough time investment, local community can only become passive observers and will not be active in cooperation.
- A process must be developed to identify the main problems of management along the park's boundary and buffer zone. This process must be participatory, develop community involvement and ownership of all decisions, using public consultation to ensure that local community interests are considered.
- A process must be developed to analyze and explain all laws and regulations related to KSNP management and rural development. This must be interpreted into simple language to guide the responsibility of the people in the planning and implementation, and also for village organizations.
- The ICDP has shown the importance of proper stages of activities and consequence of delay, which will influence the planning and full participation of the community in ICDP villages.
- NGOs carried out activities in the ICDP, such as WWF Indonesia, KEHATI Foundation and WARSI. This often represented the first experience for these NGOs to work with the government. There were a number of complaints because of the complicated bureaucratic process in receiving payment, which was often late, and the NGOs had to pre-finance their activities.
- Incorrect consultant recruitment and too many consultants caused obstacles in the implementation of project activities. On the other hand, improper inter-consultant coordination, as well as the results of the work of consultants which had to be discussed a lot, occupied a lot of time of the project implementing agencies .

(c) **Project Design:** Since the beginning of the project, project design was seen as very complex and very ambitious in setting indicators for project progress without anticipation of the possibility of changes in the future (for example, economic crisis and political instability as a consequence of change/replacement of leaders at every level, reformation phenomenon, regional autonomy, etc.). This became worse because of the limited personnel capacity. As a consequence, project implementation/achievement was evaluated as very low.

(d) **Distribution of Project Funding:** The close cooperation of the Directorate General of PHKA for Component A, Directorate General of BANGDA for Component B and Component D and the

Directorate General of BPK for Component C, represents a positive thing. In addition to increasing project absorption, it also increased a sense of responsibility and sense of belonging to the project process from planning to its implementation. Nevertheless, locations of the project in nine Districts in four provinces created problems in preparing consolidated report. Project location are within and outside the park area; it provides a wider scope for many parties to understand and be involved in project implementation. But the existence of some parties who did not understand project activities resulted in project objectives not being met. VCA preparation process and channeling of VCG was quite long and complicated (for example, communities must go through many stages of evaluation, and it was always possible that understanding about conservation in the proposed activities was not quite clear).

(e) **Communication:** Direct communication of consultants with the World Bank created confusion for the project implementing agencies, which gave the conclusion to the agencies that the World Bank gave too much authority to consultants.

(f) **Inter-Agency and Organization Coordination:** It could not be denied that through ICDP inter-agency coordination and communication have been established, particularly among project agencies. These were a result of the routine IPCC forum meetings scheduled every three months. The Chair of the IPCC was alternately held by the Chairman of the Regional Development Planning Board (BAPPEDA) at Provincial level, while the Secretary of the IPCC was the Head of the KSNP Office. Therefore, all parties agreed that this forum must be maintained, even though the ICDP has come to an end, through a Joint Secretariat Forum (*Sekber*) with funds provided alternately by each agency.

The existence of the ICDP has motivated the local governments to declare support for KSNP conservation. The commitment was realized in the Memorandum of Understanding of four Governors and nine *Kabupatens*.

(b) Cofinanciers:

Not applicable

(c) Other partners (NGOs/private sector):

Not applicable

10. Additional Information

Results from three Surveys

1. **Results of Socio-Economic Study (Andalas University):** This study was carried out by a survey of fifteen ICDP and non-ICDP villages, and concluded that: (a) villagers know about the park and are aware of its importance; (b) villagers resent the unilateral establishment of park boundaries that were often inconsistent with traditional land-use practices; (c) any change in socio-economic practices will be very slow; (d) project intervention and the establishment of the park are both seen as being externally driven despite beneficiary consultation and facilitation; and (e) the VCGs caused jealousy both within and between communities, and aggrieved groups or individuals are likely to resist conservation initiatives.

2. **Results of the Participatory Monitoring Report (WWF):** This study collected detailed information, supplied by the village project working groups, on compliance with the agreed conservation

and development activities. The conclusions were that villagers claimed to be implementing 64 per cent of agreed conservation activities and 58 per cent of agreed development activities after receiving the VCG and just before project closing. It seems likely that this is an under-estimate of cheating, since it measures only the admittance of cheating. Following the disappearance of monitoring, facilitation, and technical services with project closure, non-compliance can be expected to rise sharply.

3. **Beneficiary Survey (Nielsen):** A Bank-financed beneficiary survey as part of the Learning ICR was carried out in February 2003; interviews were carried out with 286 respondents in seven ICDP villages and seven non-ICDP villages. Of interest is that in ICDP villages the distribution of benefits from the project was uneven, with 49 per cent saying that they received direct benefits, another 40 per cent saying that they received indirect benefits and 11 per cent saying that they were unaware of any benefits. Some 37 per cent reported a complaint of unequal benefits. This corroborates the findings of the socio-economic survey of jealousy resulting from distribution of benefits. Only about 5 per cent of ICDP respondents considered that improvement in their standard of living was directly due to the project. The survey commentary says that the benefits are smaller than the estimation error (in other words, inconclusive). Again, this corroborates the findings of the M&E ICR Report. The survey reported that only 48 per cent of non-ICD respondents were aware of the existence of the National Park. This seems consistent with complaints of ICDP villagers that activities violating the VCA were carried out by non-ICDP people. Surprisingly, only 54 per cent of ICDP villagers were aware of facilitator activity in the village since the facilitator is supposed to live either in the village or in one nearby. This is consistent with the findings of the socio-economic survey which questioned the effectiveness of facilitation. The survey report concludes that 89 per cent of ICDP beneficiaries value the program and considered that it should be continued when both economic development and conservation are considered.

Annex 1. Key Performance Indicators/Log Frame Matrix

Outcome / Impact Indicators:		
Indicator/Matrix	Projected in last PSR ¹	Actual/Latest Estimate
1. Road Network (no construction/upgrading in sensitive areas)	3	1
2. Completion of forest concession audits	9	7
3. Action plan for improving forest concession management in each buffer zone concession	1	Completed
4. Numbers of forest rangers	140	180
5. Size of Park budget	\$300,000	\$595,536

¹ End of project

Annex 2. Project Costs and Financing

Project Costs by Component (in US\$ million equivalent)

Estimated Cost by Component	Appraisal Estimate (US\$ million)	Actual/Latest Estimate (a) (US\$ million)	Percentage of Appraisal
A. Park Management	13.443	8.588	63.9
B. Area and Village Development	25.864	6.301	24.4
C. Integrating Biodiversity in Concession Management	2.852	1.813	63.6
D. Monitoring & Evaluation	3.812	2.113	55.4
Total	45.971	18.815	40.9

Note: (a) Costs are subject to audit.

Project Costs by Procurement Arrangements (Appraisal Estimate) (a)
(US\$ million equivalent)

Expenditure Category		Procurement Method				Total Cost
		ICB	NCB	Other (b)	NBF (c)	
A.	Civil Works					
	Buildings and Structures	-	2.314	-	-	2.314
		-	(1.389)	-	-	(1.389)
	Village Infrastructure	-	-	5.761	-	5.761
		-	-	(4.609)	-	(4.609)
B.	Equipment & Furniture					
	Office/Field equipt. & furniture	-	0.634	0.066	-	0.700
		-	(0.507)	(0.053)	-	(0.560)
	Aerial photography	-	0.604	-	-	0.604
		-	(0.484)	-	-	(0.484)
	Remote Sensing equipment	-	-	0.047	-	0.047
		-	-	(0.038)	-	(0.038)
C.	Vehicles	-	-	-	0.987	0.987
D.	Training	-	-	3.085	0.289	3.374
		-	-	(2.651)	-	(2.651)
E.	Consultant Services	-	-	12.723	0.144	12.867
		-	-	(11.480)	-	(11.480)
F.	Studies	-	-	0.826	-	0.826
		-	-	(0.743)	-	(0.743)
G.	Survey & Research	-	-	4.579	-	4.579
		-	-	(4.121)	-	(4.121)
H.	Extension & Planning	--	-	6.127	-	6.127
		-	-	(5.397)	-	(5.397)
I.	Agricultural & other inputs	-	-	1.453	-	1.453
		-	-	(1.163)	-	(1.163)
J.	Incremental Operating Costs	-	-	1.703	4.627	6.330
				(1.533)		
	Total	-	3.553	36.370	6.047	45.970
		-	(2.380)	(31.787)	-	(34.166)

- Notes: (a) Figures in parenthesis are the amounts financed by the Bank loan and the GEF grant.
(b) Includes National Shopping, Direct Contracting (satellite imagery equipment) and Consulting Services/TA/Training following the Bank's guidelines
(c) Not Bank Financed

Project Costs by Procurement Arrangements (Actual/Latest Estimate) (a)
(US\$ million equivalent)

Expenditure Category		Procurement Method				Total Cost
		ICB	NCB	Other (b)	NBF (c)	
A.	Civil Works					
	Buildings and Structures	-	0.314	-	-	0.314
		-	(0.223)	-	-	(0.223)
	Village Infrastructure	-	-	0.625	-	0.625
		-	-	(0.557)	-	(0.557)
B.	Equipment & Furniture					
	Office/Field equipt. & furniture	-	0.162	0.094	-	0.256
		-	(0.113)	(0.066)	-	(0.179)
	Aerial photography	-	0.212	-	-	0.212
		-	(0.175)	-	-	(0.175)
	Remote Sensing equipment	-	-	0.098	-	0.098
		-	-	(0.075)	-	(0.075)
C.	Vehicles	-	-	-	(d)	(d)
D.	Training	-	-	1.123	0.131	1.254
		-	-	(1.076)	-	(1.076)
E.	Consultant Services	-	-	10.185	0.115	10.300
		-	-	(10.015)	-	(10.015)
F.	Studies	-	-	0.362	-	0.362
		-	-	(0.251)	-	(0.251)
G.	Survey & Research	-	-	0.439	-	0.439
		-	-	(0.325)	-	(0.325)
H.	Extension & Planning	--	-	1.924	-	1.924
		-	-	(1.744)	-	(1.744)
I.	Agricultural & other inputs	-	-	1.279	-	1.279
		-	-	(1.110)	-	(1.110)
J.	Incremental Operating Costs	-	-	0.562	1.190	1.752
						(e)
						-
	Total	-	0.688	16.691	1.436	18.815
		-	(0.511)	(15.219)	-	(15.730)

Notes: (a) Figures in parenthesis are the amounts financed by the Bank loan and the GEF grant.

(b) Includes National Shopping, Direct Contracting (satellite imagery equipment) and Consulting Services/TA/Training following the Bank's Guidelines.

(c) Not Bank Financed

(d) Data were not available

(e) Excludes counterpart funds from local governments participating in the project.

Project Financing by Component
(in US\$ million equivalent)

Component		Appraisal Estimate			Actual/Latest Estimate			Actual/Appraisal Estimate (as %)		
		Bank	Govt.	GEF	Bank	Govt.	GEF	Bank	Govt.	GEF
A.	Park Management	-	4.937	8.505	-	1.958	6.630	-	39.7	78.0
B.	Area and Village Development	16.602	4.696	4.566	5.352	0.949	-	32.2	20.2	-
C.	Integrating Biodiversity in Concession Management	-	1.612	1.240	-	0.178	1.635	-	11.0	131.9
D.	Monitoring & Evaluation	2.544	0.559	0.709	2.113	-	-	83.1	-	-
	Total	19.146	11.804	15.020	7.465	3.085	8.265	39.0	26.1	55.0

Note: As of March 17, 2003, the amounts of the Bank's loan and the GEF grant disbursed were US\$6.872 million and US\$6.948 million, respectively.

Annex 3. Economic Costs and Benefits

N/A

Annex 4. Bank Inputs

(a) Missions:

Stage of Project Cycle	No. of Persons and Specialty (e.g. 2 Economists, 1 FMS, etc.)		Performance Rating		
	Month/Year	Count	Specialty	Implementation Progress	Development Objective
Identification/Preparation					
	09/16/1991	5	Task Manager, Methodology/Project Design Specialist, Community Devt/Participatory Project Design Specialist, Buffer Zone Specialist, Biologist/Park Management Specialist		
	12/12/1992	5	Task Manager, Mission Leader, Environment Specialist, Biodiversity Specialist, Anthropologist		
	05/21/1993	4	Mission Leader, 2 Resettlement Experts, Community Planning Specialist		
	12/03/1993	6	Task Manager, Mission Leader, Anthropologist, Community Planning/Biodiversity Specialist, Institutional/Administration Specialist, Natural Resource Economist		
	03/07/1994	5	Mission Leader, Rural Development, Institutional/Administration Specialist, Community Planning/Biodiversity Specialist, Natural Resource Economist		
	10/14/1994	1	Forestry Specialist		
	08/08/1994	1	Task Manager		
	06/09/1995	3	2 Forestry Specialists, Community Planning/Biodiversity Specialist		
Appraisal/Negotiation					
	06/22/1995	6	Task Manager, Institutional/Administration Specialist, Community Planning/Biodiversity Specialist, Rural Development Specialist, Legal Specialist, Tribal Issues Specialist		
Supervision					
	12/13/1996	7	Road Engineer; Task Manager (TM)/Institutional Development	S	S

		Specialist; Environmental Specialist; Biodiversity Specialist; Natural Resource Specialist; Participation Specialist		
05/16/1997	5	Operations Officer; Forest Specialist; Task Manager/Institutional Development Specialist; Natural Resource Specialist; Regional Development Specialist	S	S
12/16/1997	4	Regional Development Specialist; Resettlement Specialist; Natural Resource Specialist/TM; Park Management Specialist	S	S
06/29/1998	5	Regional Development Specialist; Resettlement Specialist; Natural Resource Specialist; Biodiversity Specialist; Buffer-zone management Specialist	S	S
12/30/1998	4	Participation Specialist; Biodiversity Specialist; Park Management Specialist; Disbursement Specialist	S	S
04/29/1999	4	Natural Resource Management Specialist; Park Management Specialist; Operations Specialist; Biodiversity Specialist	S	S
03/10/2000	8	Natural Resources Management Specialist; Operations Officer; Sector Coordinator; Economist; Consultant (2); Team Assistant; GOI Official	S	S
12/08/2000	9	Natural Resources management Specialist (2); Operations Officer; Consultants (2); GOI Official ; Agricultural Economist; Team Assistant; Environmental Specialist	U	U
12/04/2001	5	Natural Resources management Specialist; Operations Officer; Consultant; Team Assistant; GOI Official	S	S
12/10/2001	8	Task Team Leader; Biodiversity Specialist; Operations Officer; NGO Development Specialist; Commercial Specialist;GOI Officials (3)	U	U
12/10/2001	2	Operations Specialist; Community Development Specialist	S	S

ICR	06/06/2002	6	Task Team Leader; Natural Resource Management Specialist; Biodiversity Specialist; Community Development Specilaist; Wildlife Conservation Specialist; PA Specailist; Monitoring & Evaluation Specialist	S
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(b) Staff:

Stage of Project Cycle	Actual/Latest Estimate	
	No. Staff weeks	US\$ ('000)
Identification/Preparation	216.3	559.2
Appraisal/Negotiation	88.2	221.9
Supervision	194.4	766.9
ICR	17.4	155.6
Total	516.3	1,703.6

Note: According to the Bank's accounting system, consultant weeks were recorded only until Fiscal Year 1999. Input values include all expenses, including consultant staff-weeks (fees).

Annex 5. Ratings for Achievement of Objectives/Outputs of Components

(H=High, SU=Substantial, M=Modest, N=Negligible, NA=Not Applicable)

	<i>Rating</i>				
	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Macro policies</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input checked="" type="checkbox"/> <i>Sector Policies</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Physical</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Financial</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input checked="" type="checkbox"/> <i>Institutional Development</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Environmental</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<i>Social</i>					
<input checked="" type="checkbox"/> <i>Poverty Reduction</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input checked="" type="radio"/> N	<input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Gender</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input checked="" type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Private sector development</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Public sector management</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA

Annex 6. Ratings of Bank and Borrower Performance

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory)

6.1 Bank performance

- Lending
- Supervision
- Overall

Rating

- HS S U HU
- HS S U HU
- HS S U HU

6.2 Borrower performance

- Preparation
- Government implementation performance
- Implementation agency performance
- Overall

Rating

- HS S U HU
- HS S U HU
- HS S U HU
- HS S U HU

Annex 7. List of Supporting Documents

A. Bank and Project Documents:

Indonesia Country Assistance Strategy, February 27, 1995
Indonesia Country Assistance Strategy Progress Report, July 25, 2002
Indonesia: Kerinci Seblat Integrated Conservation and Development Project, Memorandum and Recommendation of the President, April 3, 1996
Indonesia: Kerinci Seblat Integrated Conservation and Development Staff Appraisal Report, April 3, 1996
Amendments to Loan Agreement: September 25, 2001
World Bank Guidelines for Preparing Implementation Completion Report, June 1999
Operational Policies (OP 13.55) for Implementation Completion Reporting
Operational Directive (OD 13.05) for Project Supervision

B. Bank Supervision Mission Reports:

First Supervision Mission Report: May 16, 1997
Second Supervision Mission Report: December 10, 1997
Third Supervision Mission Report: June 29, 1998
Fourth Supervision Mission Report: December 20, 1998
Fifth Supervision Mission Report: April 29, 1999
Sixth Supervision Mission Report: November 25, 1999
Seventh Supervision Mission Report: March 10, 2000
Eighth Supervision Mission Report: June 11, 2000
Ninth Supervision Mission Report: December 8, 2000
Tenth Supervision Mission Report: May 1, 2001
Eleventh Supervision Mission Report: December 21, 2001
Twelfth Supervision Mission Report: February 21, 2002
Thirteenth Supervision Mission Report: June 6, 2002
Final Supervision and ICR Mission, November 26, 2002

C. Government/Project Reports:

First Annual Progress Report
Second Annual Progress Report
Mid-term Review Progress Report
Fourth Annual Progress Report
Fifth Annual Progress Report
Sixth Annual Progress Report
Seventh Annual Progress Report
ICR Reports for Components A, B, C and D
Strategic Framework
Beneficiary Survey
GOI Draft ICR Report

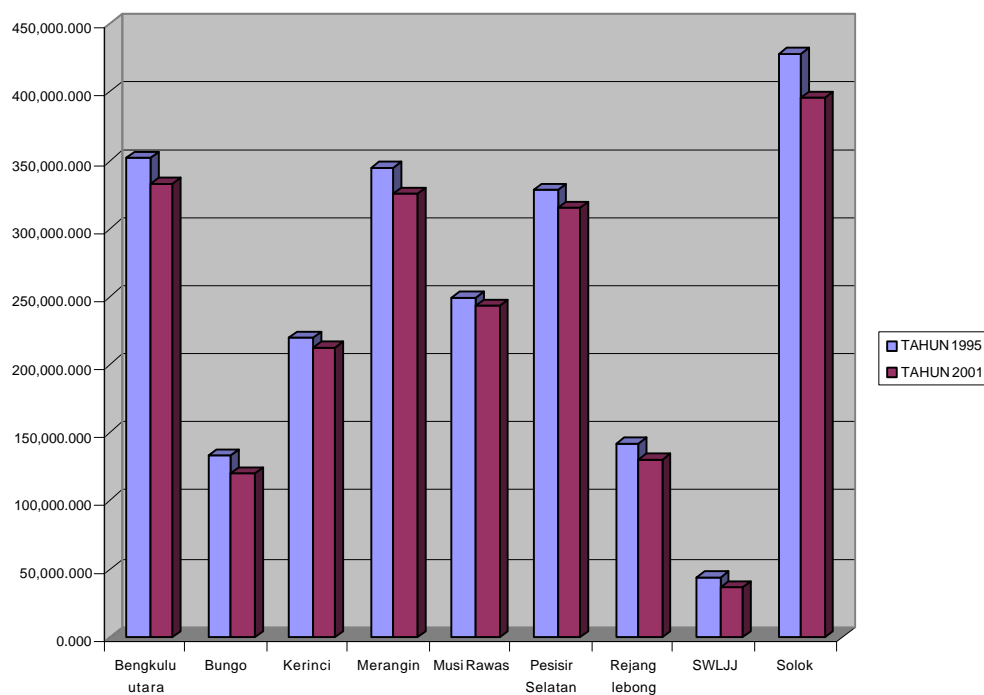
Additional Annex 8. Conservation Grants and Reforestation Data

CONSERVATION GRANT DISBURSEMENT PER KABUPATEN

No	Villages	Total Villages	Funds Disbursed	Percentage
1	Kerinci	15	2,730,793,770.00	28.99
2	Merangin	7	671,898,810.00	7.13
3	Bungo	4	334,100,405.00	3.55
4	Solak	9	1,846,522,410.00	19.60
5	Pesisir Selatan	9	1,402,102,800.00	14.88
6	Sawahlunto Sijunjung	3	314,569,500.00	3.34
7	Rejang Lebong	10	607,383,250.00	6.45
8	Bengkulu Utara	9	799,748,090.00	8.49
9	Musi Rawas	9	713,136,540.00	7.57
	Total	75	9,420,255,575.00	100.00

Source: Final Report Component B

Changes in Kabupaten Forest Cover 1995-2001



Additional Annex 9. Park Management Effectiveness Matrix

Issue	Criteria	1996	2001	2002	ICR Score	Score	Comments/recommendations (including consideration of whether problems are effectively outside the control of the manager)
General							
1. Legislation	a. Problems with legislation or regulations represent a major barrier to achieving management objectives	x				0	There are laws that regulate NP, but other institutions do not acknowledge these. Even the impact of autonomy other local governments have issued some regulations.
	b. Problems with legislation or regulations are a significant but not major barrier to achieving management objectives			x	x	1	
	c. Problems with legislation or regulations are not a barrier to achieving management objectives		x			2	
	d. Legislation or regulations are particularly effective in achieving management objectives					3	
2. Law enforcement	a. There is no effective capacity to enforce protected area legislation and regulations	x				0	Staff has capacity but not enough support from police/army/judiciary
	b. There are major deficiencies in law enforcement capacity (e.g. staff lack skills, patrol capacity is low, problems with legal processes)		x		x	1	
	c. Law enforcement capacity is acceptable but some deficiencies are evident			x		2	
	d. Law enforcement capacity is excellent					3	
3. Planning	a. There is no management plan for the protected area	x				0	
	b. A management plan is being prepared but is not being implemented		x			1	
	c. An approved management plan exists but it is only being partially implemented because of funding constraints or other problems			x	x	2	
	d. An approved management plan exists and is being implemented					3	
Additional points	e. The planning process allows adequate opportunity for adjacent landholders and other stakeholders to influence the plan		x	x	x	+1	
	f. There is an established schedule and process for periodic review of the management plan				x	+1	

	g. Annual work programs and budgets are based on the provisions of the management plan		x	x	x	+1	
4. Resource inventory	a. Requirements for active management of natural/cultural resources of the area and efforts to acquire this information are limited					0	
	b. Information on natural/cultural resources is not sufficient to support planning & decision making & efforts to acquire this are limited					1	
	c. Information on natural/cultural resources is sufficient for key areas of planning/decision making or this information is being rapidly acquired	x	x	x	x	2	
	d. Information concerning natural/cultural resources is sufficient to support most of all areas of planning and decision making					3	
5. Resource management	a. Requirements for active management of natural & cultural resources (e.g. fire mgt, feral animal control, cultural sites) have not been assessed					0	
	b. Requirements for active management of natural & cultural resources are known but are only being addressed	x	x	x		1	
	c. Requirements for active management of natural & cultural resources are only being partially addressed				x	2	
	d. Requirements for active management of natural & cultural resources are being fully or substantially addressed					3	
6. Maintenance	a. Little or no maintenance of equipment/facilities is undertaken					0	For example, there are 10 vehicles but maintenance budget only for the boss. Operational budget is only available for the central (NP) office and not for the others.
	b. Maintenance is only undertaken when equipment/facilities are in need of repair	x	x	x	x	1	
	c. Most equipment/facilities are regularly maintained					2	
	d. All equipment/facilities are regularly maintained.					3	
7. Neighbours	a. There is no contact between managers and individuals or groups who own or manage neighbouring lands and seas					0	
	b. There is limited contact between managers and individuals or groups who own or manage neighbouring lands and seas	x				1	
	c. There is regular contact between		x	x	x	2	

	managers and neighbours but limited co-operation in issues of mutual concern						
	d. There is regular contact between managers and neighbours and issues of mutual concern are co-operatively addressed					3	
Additional points	e. There is open communication and trust between local people and protected area managers					+1	Under ICDP/ The rangers stated that local community approach under ICDP have created difficulties for them to carry out their job (1st 10 villages KKO gave “rights” to villages to collect wood, etc)
	f. Programs to enhance local community welfare while conserving protected area resources are being implemented		x	x	x	+1	
8. Economic benefits	a. There is little or no flow of economic benefits to local communities from the existence of the protected area	x				0	Most people even the bupati don't acknowledge
	b. There is some flow of economic benefits to local communities from the existence of the protected area but this is of minor significance to the regional economy. People from the local community are not generally employed in protected area management		x	x		1	
	c. There is a flow of economic benefits to local communities from the existence of the protected area and this is of moderate or greater significance to the regional economy but most of this benefit accrues from activities outside the park boundary (e.g. spending by visitors getting to the park)				x	2	
	d. There is a major flow of economic benefits to local communities from the existence of the protected area and a significant proportion of this derives from activities on the park (e.g. employment of locals by visitors getting to the park)					3	
9.Communication	a. There is little or no communication between managers and stakeholders involved in the protected area					0	Many meetings among policymakers and desa website, information center, children facilities
	b. There is communication between managers and stakeholders but this is ad hoc and not part of a planned communication program	x				1	
	c. There is a planned communication program that is being used to build support for the protected area amongst		x	x	x	2	

	relevant stakeholders but implementation is limited.						
	d. There is a planned communication program that is being used to build support for the protected area amongst relevant stakeholders.					3	
10. Management systems	a. Problems with management systems (e.g. budgeting, office procedures, staff training) significantly constrain management effectiveness.	x				0	Problems: budget is always late, sometimes the activities are created by the central offices
	b. Problems with management system partially constrain management effectiveness.		x	x		1	
	c. Management systems provide basic support to managers.				x	2	
	d. Management systems provide active and effective support to managers.					3	
Additional points	a. There is a structured process for developing and allocating annual budgets for the area.					+1	However, oftentimes rules are not followed to adjust with the management priority
	b. There are adequate systems for financial management and control, record keeping and retrieval.				x	+1	
	c. There is an active training program that I addressing deficiencies in skills and developing the potential of staff.		x	x		+1	
Category I							
11. Control over access/use of the protected area	a. Protection systems (patrols, permits, etc.) are ineffective in controlling access or use of the reserve in accordance with designated objectives.	x				0	Patrols and special operation
	b. Protection systems are only partially effective in controlling access or use of the reserve in accordance with designated objectives		x	x	x	1	
	c. Protection system are moderately effective in controlling access of the reserve in accordance with designated objectives.					2	
	d. Protection systems are largely or wholly effective in controlling access or use of the reserve in accordance with designated objectives					3	
Categories II, III, and V							
12. Resident communities and/or traditional landowners	a. Resident communities and/or traditional owners have little or no input into management decisions.					0	
	b. Resident communities and/or traditional owners have input into	x				1	In ZPT/ZPK

	management decisions but no direct involvement in decision making.						
	c. Resident communities and/or traditional owners directly contribute to decision making in some areas.		x	x	x	2	
	d. Resident communities and/or traditional owners directly contribute to decision making in all areas.					3	
Additional points	a. There is open communication and trust between local people and protected area managers		x	x		+1	Under ICDP
	b. Programs to enhance local community welfare while conserving protected area resources are being implemented.					+1	
	c. Where permitted, harvesting of natural resources by local people is undertaken in a sustainable manner					+1	
13. Visitor opportunities	a. No consideration has been given to the provision of visitor opportunities in terms of access to areas of the park or the diversity of available experiences					0	Focus on Gn7/Gn Kerinci
	b. Some consideration has been given to the provision of visitor opportunities in terms of access to areas of the park or the diversity of available experiences but little or no action has been taken in this regard	x	x			1	
	c. Consideration has been given to the provision of visitor opportunities in term of access to areas of the park and the diversity of available experiences. Policies and programs to enhance visitor opportunities have been implemented.				x	2	
	d. Management of visitor opportunities is based on research into visitors' needs and wants. Plans to optimize visitor opportunities have been implemented.					3	
14. Visitors	a. Visitor facilities and services are grossly inadequate (either do not meet the needs of most visitors or visitor use is seriously damaging resources)					0	New sign for Gn7/Gn Kerinci
	b. Visitor facilities and services are inadequate (either do not meet the needs of some visitor or visitor use is damaging resources)	x	x		x	1	
	c. Visitor facilities and services are adequate for current levels of visitation			x		2	
	d. Visitor facilities and services are excellent for current levels of visitation					3	
15. Commercial tourism	a. There is little or no contact between managers and tourism operators using the protected area	x				0	Preliminary contact with established Pariwisata, Travel Guide Association.

	b. There is contact between managers and tourism operators but this is largely confined to administrative or regulatory matters		x	x	x	1	
	c. There is limited co-operation between managers and tourism operators to enhance visitor experiences and protect park values					2	
	d. There is excellent co-operation between managers and tourism operators to enhance visitor experiences and protect park values					3	
Category IV							
16. Management intervention	a. Management interventions required to maintain protected area resources are not known or not being implemented					0	Strength: Awareness, information, LSM network were on: enforcement, fund raising
	b. Management interventions required to maintain protected area resources are known but are not being implemented					1	
	c. Management interventions required to maintain protected area resources are known but are not being fully implemented				x	2	
	d. Management interventions required to maintain protected area resources are being implemented.					3	
Category V							
17. Control of land uses and activities	a. Mechanisms for controlling inappropriate land use and activities in the protected are not in place or are largely ineffective	x	x			0	Lack of local government support for enforcement
	b. Mechanisms for controlling inappropriate land use exist but there are major problems in effectively implementing them			x	x	1	
	c. Mechanisms for controlling inappropriate land use and activities exist but there are some problems in effectively implementing them					2	
	d. Mechanisms for controlling inappropriate land use and activities exist and are being effectively implemented.					3	
Category VI							
18. Sustainable production	a. Production activities in the area are being conducted in a way that is seriously degrading natural values				x	0	Kayumanis, vegetable
	b. Production activities in the area are being conducted in a way that is partially degrading resource values					1	
	c. Production activities in the area are being conducted in a largely sustainable					2	

	manner						
	d. Production activities in the area are being conducted in a wholly sustainable manner					3	
19. Regional and national development	a. The contribution of production activities to development is minimal or non-existent					0	Hydrology systems supports the provinces, 9 kabupatens but lack of understanding
	b. Production activities in the area are contributing locally to development but not significantly at a regional scale					1	
	c. Production activities in the area are significant to regional development but are not nationally significant					2	
	d. Production activities in the area are contributing significantly to national development				x	3	

