



Annual Report

Tropical Forest Conservation Action for Sumatra

2011



KEHATI

Administered by KEHATI-The Indonesian Biodiversity Foundation

Cover: HE. Scot Marciel, US Ambassador representing US Government and Secretary General of the Ministry of Forestry, Mr. Hadi Daryanto representing the Government of Indonesia, are among the witnesses and grantees for the first grantees of TFCA-Sumatera. The MoU signing was held in Manggala Wanabhakti Jakarta on 24 February 2011.

Photo Credit :

Cover : Ali Sofiawan

List of Abbreviation

BAPEDAL	Badan Pengendalian Dampak Lingkungan, Environmental Impact Management Agency
BAPPEDA	Badan Perencanaan Pembangunan Daerah, Regional Planning Board, of the Provincial Government
Bitra	Bina Keterampilan Pedesaan
BKSDA	Balai Konservasi Sumberdaya Alam, Natural Resource Conservation Office, is a Technical Implementation Unit of the Directorate General of Forest Protection and Nature Conservation, Ministry of Forestry
BNI	Bank Negara Indonesia
BPDAS	Badan Pengelolaan Daerah Aliran Sungai, Agency Watershed Management
BUK	Bina Usaha Kehutanan, Directorate General under the Ministry of Forestry
Dishut	Dinas Kehutanan, Forestry Service
DSA	Debt Service Account
FCA	Forest Conservation Agreement
FFI	Fauna and Flora International
GMPP	Grant Making Policy and Procedures
HE	His Excellency
HSBC	Hongkong-Shanghai Bank Corporation
HPH	Hak Pengusahaan Hutan, Forest Concession License
HTI	Hutan Tanaman Industri, Timber Estates
IDR/Rp	Indonesian Rupiah
IGA	Institute Green Aceh
Jikalahari	Jaringan Kerja Penyelamat Hutan Riau
KEHATI	Yayasan Keanekaragaman Hayati Indonesia – The Indonesian Biodiversity Foundation
KKI-Warsi	Komunitas Konservasi Indonesia-Warung informasi konservasi
KPH	Forest Management Unit
LEI	Lembaga Ekolabel Indonesia
OC	Oversight Committee
OCTM	Oversight Committee Technical Member
Petra	Perkumpulan Prakarsa Pengembangan Partisipasi untuk Rakyat
PMP	Performance Monitoring Plan
RAPP	Riau Andalan Pulp and Paper
RFCP	Request for Concept Paper
SOP	Standard Operational Procedure
TFCA-Sumatera	Tropical Forest Conservation Action for Sumatera
US	United States of America
YLI	Yayasan Leuser International

Table of Contents

List of Abbreviation	p.iii
Table of Contents	p.iv
List of Tables	p.v
List of Figures	p.v
Preface	p.vi
Executive Summary	p.vii
Highlight of Success	p.x
A. Introduction	p.1
B. Grant Making Activities	p.2
B.1. First Grant Cycle	p.2
B.1.1 . Grant Disbursement of the First Grand Cycle	p.2
B.1.2. Grant Administration and Management of the First Grand Cycle	p.3
B.1.2.1 First Grant Cycle Disbursement	p.3
B.1.2.2 Capacity Building for the Grantees	p.5
B.1.2.3 Monitoring and Evaluation	p.7
B.1.2.3.1. Grantee's Governance	p.7
B.1.2.3.2. Grantee's Financial Performance	p.8
B.1.2.3.3. Grantee's Project performance	p.8
B.1.2.4 Stakeholders Coordination Meetings	p.11
B.1.2.4.1. Coordination Meeting in Banda Aceh with IGA and YLI stakeholders	p.11
B.1.2.4.2. Coordination Meeting in Pekanbaru with Jikalahari's stakeholders	p.13
B.1.2.4.3. Coordination Meeting between Petra-Bitra and Local Authorities	p.14
B.1.2.4.4. Coordination Meeting between KKI-Warsi and Local Authorities	p.16
B.1.3. TFCA Support for Batang Gadis National Park	p.17
B.2. Second Grant Cycle	p.20
B.2.1. Preparation for Second Grant Cycle	p.20
B.2.2. Decision on Grant for the Second Cycle	p.22
B.3. External Evaluation of TFCA Administration	p.23
C. Financial Report	p.26
C.1. Trust Fund Management	p.26
C.2. Management Expenses of the Administrator for 2011	p.27
C.3. Grant Disbursement	p.29
C.3.1. Grant disbursement up to December 2011	p.29
C.3.2. Total investment results up to June 2011 (interest-tax)	p.30
D. Challenges	p.31
E. Potential Collaboration and Follow-on Action	p.32

Annex

Management Expenses of TFCA for the period of January – December 2011

List of Tables

Table 1. Summary Table of TFCA Funds	p.ix
Table 2. Summary of the Grants of First Cycle (2011-2014)	p.5
Table 3. Capacity building schedule for the grantees and Findings and Response for 2011	p.6
Table 4. The Consortium and the Proposed landscapes Suggested for Consideration by the OC	p.22
Table 5. Workshop Schedule of the Proponents to Develop Full Proposal	p.23
Table 6. The Position of the TFCA Funds at the DSA (in US\$) based on HSBC Report up to December 2011	p.26
Table 7. Position of the Fund at the FCA Grant Account and Management Expense Account (in IDR) at 31 st December 2011	p.28
Table 8. Summary of the Grant Disbursement for the 2011 (in IDR)	p.30
Table 9. Investment Results from the Accounts Managed by KEHATI	p.30

List of Figures

Figure 1. Distribution Map of TFCA Projects of Grants Cycles 1 and 2	p.4
Figure 2. Map of proposed project distribution from received concept paper	p.21
Figure 3. Position of the Fund at the Management Expense Account (in IDR) per 31 st December 2011 (Budget, Actual Expenditure and Balance)	p.28

Preface

This report provides information on the works by the Administrator for the first and second halves of 2011 which have been reported to the Oversight Committee at its meetings. Year 2011 became so crucial as the Administrator started to disburse grants to the approved grantees as guided in the grant agreement. At the second half of the year the work of the Administrator was escalating in line with the increase on the number of grantees after we enter second grant cycle. The field works on monitoring were particularly important, where the Administrator had to guide also some of the grantees on the project management, including administration of finance and field works. I believe that in the future monitoring and evaluation must occupy the main portion of the works by the Administrator.

It was found that despite some governance problems experienced by several grantees, initial success in meeting the TFCA objectives has been visible and looks promising. The success by KKI-Warsi in facilitating the development of village forests and customary forests can be of essential success.

The program has just implemented on the ground in less than one year, we still have to work harder in a concerted effort with all stakeholders, including the central and local governments which play a central role to achieve the objectives and targets on the sustainability of Sumatra's forests.

M.S. Sembiring

Executive Director of KEHATI
TFCA Administrator

Executive Summary

TFCA Sumatera initiated by the US Tropical Forest Conservation Act of 1998 of which is a debt-for-nature-swap agreement between the Governments of the U.S and Indonesia. The agreement was signed on June 30, 2009 to support grants to protect and restore tropical forests in Sumatera.

After almost one year long process of preparing necessary structure to disburse grants, the TFCA-Sumatera finally has its first grantees after five consortiums officially signed Grant Agreements between the Administrator and grantees. A ceremony was held in the Ministry of Forestry Office at Manggala Wanabhakti Jakarta on February 24th to mark the launching of the first grant disbursement. The first cycle's grants were awarded to fund five projects by five grantees in four prioritized landscapes as follows:

1. *Leuser Ecosystem and Leuser National Park*. Two sites include Singkil Wildlife Reserve and Linge Isaq Game Reserve.
2. *Batang Toru Forest Range*, which covers 168,658 ha of watershed area with extreme topography of mountain forest and the neighboring *Batang Gadis National Park*, established through an inclusive process with local communities in 2004, including 108,000 ha of mountain forest ecosystems.
3. *Kampar Peninsula*, the landscape covering of more than 682,478 ha of peat swamp ecosystems in Riau province, including 4 wildlife reserves.
4. *Kerinci Seblat National Park*, the largest national park in Sumatra covering 1,389,510 ha of mountain ecosystems and that lies across 4 provinces of Sumatra.

It is shown that the grantees received relatively the same amount of funds. But the first year's disbursement may be different as the disbursement is based on the work plan and cash flow plan. Based on the cash flow plan, the grant which had been committed for the first year was Rp. 10,916,943,967. From this commitment, the grant disbursed to five grantees was 9,474,597,000 (87%).

In order to ensure the effective implementation of the program on the ground, the Administrator has to make any efforts to increase the grantee's capacity in performing the field projects, including the capacity on the project administration. In this regard, capacity building activity is continuously undertaken. The objective of this activity is to support the implementation of the project activities and grantees' financial accountability. Started soon after the grant was disbursed on March 2011, the Administrator has provided grantees with guidance to the staffs and increase their capacity and capability to manage a sound, transparent and accountable programs and financial management.

The Administrator conducted field monitoring and evaluation in quarterly basis. Some of the findings include:

1. In terms of performance of grantees on the managing their institutional arrangement, it was found that two grantees, namely Consortium of Institute

Green Aceh (IGA) and Consortium Sahabat (PETRA and BITRA) have their internal problems on their governance. The problem on IGA has been solved through its Steering Committee, and the problem on Consortium Sahabat was automatically solved by the withdrawal of BITRA from the consortium.

2. Financially speaking, the grantees performance was not as good as it was originally planned. The total performance on financing was only 58% of the total planned annual budget (cash flow plan). The problems on the low spending by the grantees include the late start in order to set up the internal consortium and some activities which have to be implemented by third party which often experienced delay.
3. Despite the low general financial performance, grantees' performance on the field activities seemed to be fairly good, in which about 94% in average of the planned activities for the year one have been accomplished. It was also noted that some grantees have major achievements in terms of conservation impact. These success include:
 - a. Establishment of Conservation Resolution Unit by YLI in reducing and resolving elephant- human conflicts;
 - b. Establishment of Kampar peninsula Multi-stakeholders Forum (FMSK) by JIKALAHARI involving government agencies, NGOS, private sectors, and local communities to collaboratively design and monitor Kampar peninsula peat swamp forest ecosystem management. JIKALAHARI has also successfully facilitated local people in Doan Village, Riau to undertake intensification and certification of community palm oil plantation to reduce deforestation;
 - c. Establishment and strengthening of 15 village-based and customary forests management in Jambi and West Sumatra provinces by KKI-WARSI;

It was realized that close relationship between grantees and all stakeholders involved in the field project is crucial for the success of a grantee to achieve its objectives. Therefore, coordination meetings between grantees, local authorities and other local stakeholders were one of the important activities which should be organized in order to gain local supports for the effective implementation of the projects. The coordination meetings were organized as the medium to develop coordination and or cooperation initiatives in the implementation, monitoring and evaluation of the project at site level whereby local authorities and private sectors should play their roles. Some good recommendations were put forward from these meetings for the improvement of TFCA program on the ground.

For the second grant cycle the OC has decided to grant seven projects selected from 39 concept papers submitted to the Administrator. These selected proponents for second cycle grants include:

- a. Akar Network (Kerinci-Seblat National Park)
- b. Consortium WWF-PKHS Riau (Bukit Tiga Puluh National Park)
- c. Yayasan Ekosistem Lestari (YEL) (Leuser Ecosystem, Rawa Tripa Peat Swamp Forest)
- d. Consortium Yayasan Orangutan Sumatera Lestari – Orangutan Information Centre (OIC) (Leuser Ecosystem, Karo-Langkat Block)
- e. Consortium Yayasan Kirekat Indonesia (Siberut National Park)

- f. Consortium Yayasan Taman Nasional Tesso Nilo (Tesso Nilo National Park)
- g. Consortium Universitas Lampung- PILI (Bukit Barisan Selatan National Park)

External evaluation was also undertaken on the Administration of TFCA Sumatera, after one year of the program implementation in order to assess the compliance with TFCA legal agreements, governance structures and their operation, including TFCA-Sumatera's strategic plan, management and administration frameworks, particularly with regard to grant-making and to the implementation of a plan for monitoring conservation impact, and financial management.

TFCA Sumatera also faces several challenges, which include governance at grantees' level, low grantee's spending, local policy and political issues and administration capacity.

Potential collaboration with other USAID programs may be envisaged, for example the IFAC program whose one of its sites coincide with TFCA site, namely in Rawa Tripa and in Singkil may be one of the possible collaborative works, including sharing local office. Possibility to establish local representatives may also be envisaged to address issues concerning capacity to perform monitoring and evaluation.

In summary, Table 1 shows the details of the TFCA Sumatera achievement for the year 2011.

Table 1. Summary Table of TFCA Funds

Fund Data	2009	2010	2011	Total
No. of proposals submitted	0	129	39	168
No. of proposals approved	0	3	9	12
Total approved funding for grants (US\$)	0	1,634,637	947,334*	2,581,971
Total grant disbursements (US\$)	0	0	903,203	903,203
Total of counterpart match (grantee cost-share) (US\$)	0	331,978	0	331,978
Other leveraged matches (e.g. co-financing) (US\$)	0	34,611	0	34,611
Total matching funds as % of approved grants	n/a	22%	n/a	22%
Amount of administrative costs incurred (US\$)	43,662	233,876	309,000	586,538
Administrative costs as % of approved grants	n/a	14%	33%**	22.7%
Investment Income (US\$)	616	10,224	52,275	63,115
Fund balance at the end of the year (US\$)***	2,001,305	6,041,200	8,555,772	

Notes:

* The total approved funding for grants for 2011 is only for 2 grantees from the first cycle which was approved in the early 2011. The OC will decide and approve on the budget of other 7 approved grantees in the early 2012.

** The total approved funding as the divisor has not included the proposed budget of the 7 approved applications decided in 2011, as negotiation on the budget is still underway.

*** Fund balance at three TFCA accounts: DSA, FCA Grant Account and Management Account

Highlight of Success

Despite its ecological status as a peat swamp forest, and according to spatial planning law should be allocated as a protection area, Kampar Peninsula is legally a production forest and exhaustively divided into forest concessions. JIKALAHARI has successfully established Kampar peninsula Multi-stakeholders Forum (FMSK) which involves local governments, NGOs, private sectors, and local communities to collaboratively design and monitor Kampar peninsula peat swamp forest ecosystem sustainable management without undermining the ecological status and the legal status. This forum was set up to also work in collaboration with the newly established Forest Management Unit (KPH) Tasik-Serkep.

JIKALAHARI, in Dosan Village has also successfully provided facilitation to community palm oil plantation in intensifying their crop management as well as certification its production management in terms of Roundtable Sustainable Palm Oil (RSPO) to increase their yield and selling price through sustainable management of palm oil plantation. This scheme is aimed to save peat land forest by stopping further forest clearing for oil palm expansion.

In Jambi and West Sumatra Provinces, KKI-Warsi has been successful in the establishment and strengthening of 15 village-based and customary forests management, including increasing capacity of the management body of each village or customary forest. This scheme is expected directly to protect about 63,000 ha of natural forests of Kerinci Seblat National Park's buffer zones.

Involvement of Warsi in the process of revising spatial plan of Bungo and Solok Selatan regencies is also considered as major achievement as this would lead to the development of ecological based spatial planning at local level.

Besides direct conservation impacts on landscapes, TFCA is also designed to have impacts on local stakeholders such as NGOs, contribution to Government's policy and programs and supports to the local government capacity. TFCA, through its capacity building program contributes to increase NGOs capacity in project design and strengthen collaboration between NGOs, local government and private sectors. The contribution to Government's policy and programs include the intensive facilitation of development and implementation of Village Forest program, direct involvement on wildlife protection and Community economic enhancement and Sustainable Plantation, e.g. in Riau through Community Palm-Oil Certification and intensification. Support to Government's capacity include the increase in government involvement in NGOs run projects (including central government technical units at local level) through direct monitoring or overseeing of activities undertaken by grantees, facilitation on the development of ecosystem based spatial planning, developing Management Plan of protected areas and working with Forest Management Unit (KPH).

A. Introduction

The Governments of the U.S. and Indonesia signed a debt-for-nature swap agreement on June 30, 2009 that will reduce Indonesia's debt payments to the U.S. by \$30 million over eight years. In return, the Government of Indonesia will commit these funds to support grants to protect and restore tropical forests in Sumatra.

The agreement was made possible through contributions of \$20 million by the U.S. Government under the Tropical Forest Conservation Act of 1998 and a combined donation of \$ 2 million from Conservation International and the Indonesian Biodiversity Foundation (Yayasan Keanekaragaman Hayati Indonesia, or KEHATI). This unique partnership among governments and non-governmental organizations was the first, of now two TFCA deals, in Indonesia.

The year 2010 was the foundational year for TFCA-Indonesia (known as TFCA-Sumatera), in which the groundwork was laid for sound program implementation, including identification of KEHATI as the Fund Administrator. Actual field implementation began in 2011 with the first cycle of grant disbursements to the three approved grant partners, followed by two additional projects selected from the first grant cycle applicants.

With the strong foundation laid in 2010 and the first grant cycle which has been successfully launched in the early 2011, the second grant cycle, was launched much more smoothly at the second half of 2011. It is found however that while activities from the first grant cycle, which include monitoring of projects field evaluation and capacity building for the grantees were still underway, the process of proposal solicitation for the second grant cycle was started so that it made the second part of 2011 was somewhat busier period.

Evaluation of the Administration of TFCA was also undertaken to assess the performance of the Administrator as mandated by the Forest Conservation Agreement (FCA). The evaluation was undertaken by a consultant. Result of the evaluation was beneficial not only for building the more efficient and robust administration of TFCA Sumatera but also as a reference for the administration of TFCA2, which is now starting.

B. Grant Making Activities

B.1. First Grant Cycle

B.1.1. Grant Disbursement of the First Grant Cycle

Following the approval of three grant applications on December 2010, two additional projects from the first grant cycle were also approved in accordance with the OC decision taken at its 9th meeting. A ceremony for the signing of these grant agreements with the first five TFCA grantees was held at the Ministry of Forestry Office on February 24th, 2011. The ceremony was chaired by the Chairperson of TFCA Oversight Committee, Mr. Jatna Supriatna (Conservation International), and was also attended by such dignitaries as U.S. Ambassador Scot Marciel and the Secretary General of the Ministry of Forestry of Indonesia Mr. Hadi Daryanto. The event received significant national media coverage.

The first cycle's grants were awarded to fund five projects in four prioritized landscapes as follows:

1. Leuser Ecosystem and Leuser National Park, a 2.6 million ha of tropical forest mountain ranges which comprises of widely varying habitat types, including peat swamp, lowland, and mountain forest. Two sites include Singkil Wildlife Reserve and Linge Isaq Game Reserve.
2. *Batang Toru Forest Range*, which covers 168,658 ha of watershed area with extreme topography of mountain forest and the neighboring *Batang Gadis National Park*, established through an inclusive process with local communities in 2004, including 108,000 ha of mountain forest ecosystems. The park is currently under threat from mining activities;
3. Kampar Peninsula, the landscape covering of more than 682,478 ha of peat swamp ecosystems in Riau province, including 4 wildlife reserves.
4. Kerinci Seblat National Park, the largest national park in Sumatra covering 1,389,510 ha of mountain ecosystems and that lays across 4 provinces of Sumatra.

Map of Figure 1 shows the position of the projects relative to the important forest ecosystem in Sumatra, depicted in dark green color on the map. The conservation impacts expected from the activities include strengthening the protection and sustainable management of important ecosystems which fall outside the protected areas. Intervention on these areas becomes increasingly important as according to Ecological Gap Analysis performed by Ministry of Forestry and several NGOs in 2010 about 60% of the important ecosystem in Sumatra are in fact found outside the protected areas network boundary.

B.1.2. Grant Administration and Management of the First Grant Cycle

B.1.2.1. First Grant Cycle Disbursement

The first grant disbursement was settled on March 2011 after the signing of the grant agreements, and that the field activities have just been started since then (most of the grantees started their field works on April 2011). Figure 1 shows TFCA Projects location for the First and Second Grant Cycles.

The grants agreement signed in this ceremony valued 24.2 billion rupiah for the five NGO partners for the duration of 2-3 years projects. Installment of Rp. 3.5 billion has been settled through bank transfer to grantee's accounts for the first quarter budget installment. Up to December 2011 total disbursement to the first cycle grantees was Rp. 7,824,805,000. In addition, grant to assist the development of full application to 7 proponents of first grant cycle and to 9 proponents of second cycle was recorded to be Rp. 607,019,351.

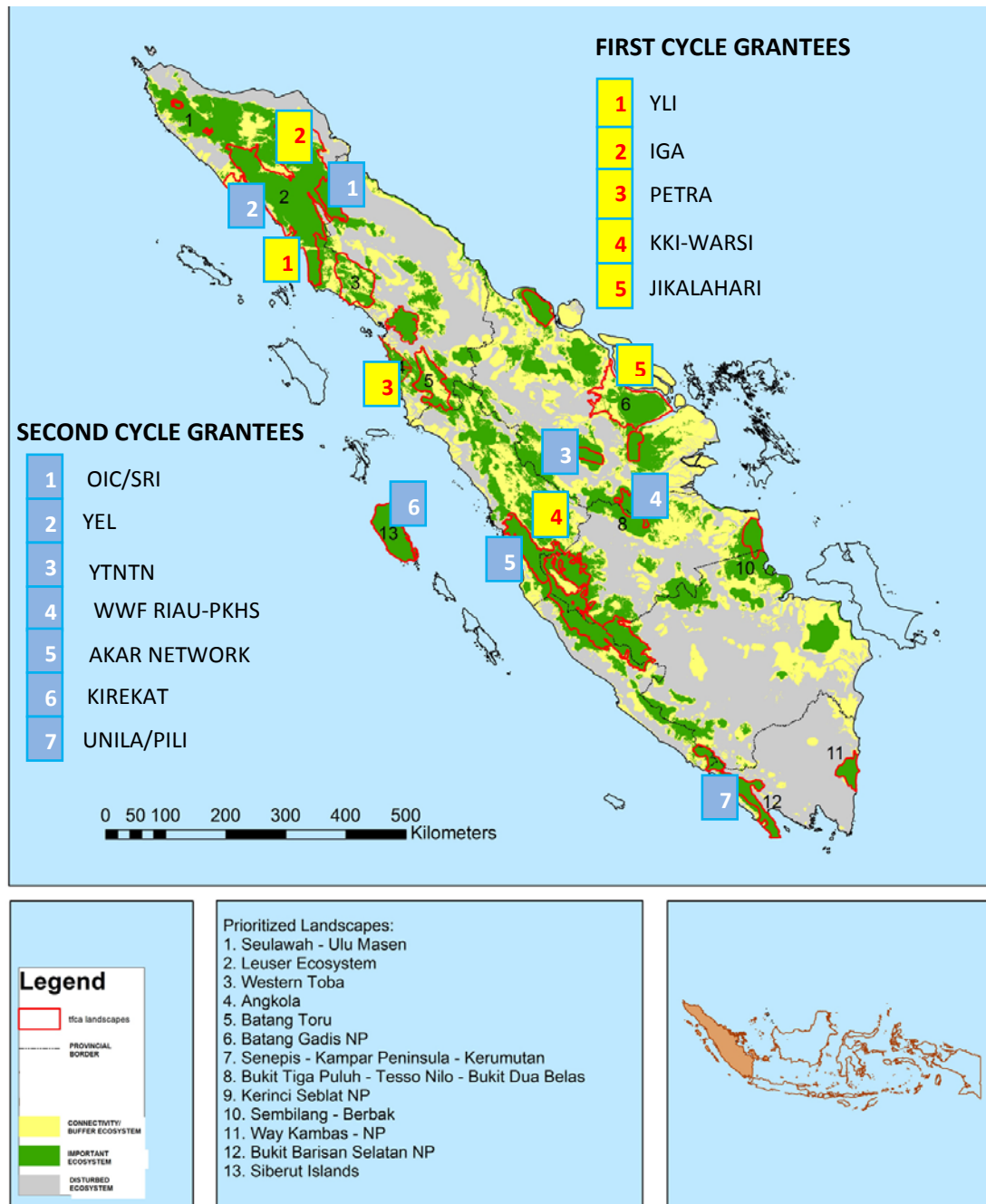


Figure 1. Distribution Map of TFCA Projects of Grant Cycles 1 and 2

It is shown from Table 2 below that the grantees received relatively the same amount of funds. But the first year's disbursement may be different as the disbursement is based on the work plan and cash flow plan. Based on the cash flow plan, the grant which had been committed for the first year was Rp. 10,916,943,967. From this commitment, the grant disbursed to five grantees was Rp. 7,824,805,000 (72%). Table 2 shows the recap of the grants approval and the disbursement up to December 2011.

Table 2. Summary of the Grants of First Grant Cycle (2011-2014)

No	Organization	Total Approved Grant (IDR)	Project Duration (year)	Total disbursed in 2011
1	Institute Green Aceh	4,153,390,000	3	895,000,000
2	Leuser International Foundation	5,307,920,000	3	1,108,805,000
3	Consortium Sahabat (PETRA-BITRA)	4,372,614,500	3	1,350,000,000
4	Jikalahari	4,953,485,000	2 (possible modification)	2,520,000,000
5	KKI-Warsi	4,504,330,299	3	1,951,000,000
	Total	23,29,173,9799	-	7,824,805,000

B.1.2.2. Capacity Building for the Grantees

In order to ensure the effective implementation of the program on the ground, the Administrator has to make any efforts to increase the grantee's capacity in performing the field projects, including the capacity on the project administration. In this regard, capacity building activity is continuously undertaken. Soon after the grant was disbursed on March 2011, the administrator has designed capacity building activities for grantees to assist grantees with the direct training on especially financial administration of project so that they will be able to effectively manage the project. This activity was conducted through the provision of "in-house" training support for the implementation of project activities and accountable financial administration at grantees' level. The Capacity building for the project implementation started from the preparation of Performance Monitoring Plan (PMP) which is an integral part of the entire program activities. In addition to the financial and institutional improvements, the capacity building includes also assistance in developing SOPs, work plan and performance monitoring plan for the grantees.

Capacity building for grantee partners is undertaken through direct guidance held in the grantee's office by TFCA Grant Manager assisted by Administration and Financing Staffs of KEHATI. Capacity building for the project implementation started from the preparation of Performance Monitoring Plan (PMP) which is an integral part of the entire program activities. Guidance was given on the improvement of project administration and finance which include book keeping, accounting and cash management as well as assistance in developing Standard Operational Procedures for the organization, work plan and performance monitoring plan. Various aspects were also among the topics of discussion and sharing during the course of the training, including discussions on grant making procedure and policies, work plan focus review, performance monitoring plan improvement, financial aspects and accounting procedures.

It may be concluded from the findings of capacity building works, that more efforts need to be put on some grantees as their capacities to implement the project still need to be improved. Most of the grantees did not have sufficient SOPs to undertake TFCA projects. One grantee, namely PETRA needs continued supervision on their

financial administration. However, it is believed that within one or two months the grantees have been familiar with TFCA procedures and financial systems. Even though at the beginning was somewhat time consuming, investment on this area is believed to be beneficial not only for the effectiveness of the program implementation, management and accountability but also for the better future management of Sumatran forest through NGOs capacity building.

The capacity building was undertaken almost entirely in the first semester of 2011 and almost all first cycle's grantees received trainings with the schedule as appears in Table 3.

Table 3. Capacity building schedule for the grantees and Findings and Response for 2011

Date	Topics	Grantee	Findings and Response
18-20 April	Capacity building on finance and administration management.	Jikalahari	<p>Findings: There was no financial system for the organization in place, it has also no SOP for the program implementation (finance, procurement, fund management, etc).</p> <p>Response: The TFCA Administrator conducted training on 1). Administration of financial system (accounting, financial reporting), joined by finance staffs of Jikalahari and its consortium members (WWF, Elang, RWWG, YMI, YBB, PBB), and 2). SOPs development on financial and institutional administration.</p>
21-22 April	Capacity building on finance and administration management.	KKI-Warsi	<p>Findings: KKI-Warsi already has financial system for the institution and SOPs in place.</p> <p>Response: Adjustment of Warsi's financial system with TFCA standard bookkeeping format, financial reporting and TFCA-Sumatra's format. Adjustments on institution's SOP with TFCA-Sumatera standards.</p>
25-29 April	Capacity building on finance and administration management.	IGA, YLI and Petra	<p>Findings:</p> <p>IGA: Has no standard financial system in place, it has never been financially audited and it has no SOP in place.</p> <p>YLI: There was standard financial system, already and SOP for the organization in place</p> <p>PETRA: Did not have standard on financial system, never been financially audited, and it does not have institution SOP</p> <p>Response: The Administrator has carried out training on finance system, SOP development and reporting system to these grantees as required.</p>

24-29 May	Book keeping training, preparing financial statement and finance management	Petra	<p>Result: financial accounting had then been developed, however there have been some inaccuracies in some places. Document-Documentation on financial evidence was in accordance with the given training and expectations. It has developed draft of SOP, however there should be improvement needed.</p> <p>Response: hands-on and in-house training was then undertaken</p>
30 May	Consortium consolidation, book keeping training and document management	IGA	<p>Findings: Mechanism on consortium management has been in place. Bookkeeping system has also already in place. It has developed financial reporting system.</p> <p>Response: Discussion on mechanism of the consortium management, improving financial documentation, improving accounting and financial reporting, and identification of existing problems was among the training undertaken.</p>

B.1.2.3. Monitoring and Evaluation

Monitoring and evaluation plays an important role to ensure the success of a program. Monitoring and Evaluation is needed to assess the performance of grantees in implementing the grant in accordance with specified standard or plans. It also should be undertaken from the beginning when the grants were initially disbursed so that correction or remedy could be done without delay which may affecting the overall progress of the project or program. The Administrator conducted field monitoring and evaluation in quarterly basis.

B.1.2.3.1. Grantee's Governance

In terms of the performance of grantees on the managing their institution, it was found that two grantees, namely Consortium of Institute Green Aceh (IGA) and Consortium Sahabat (PETRA) have their internal problems on their governance.

With regard to IGA, the program coordinator did not seem to undertake its roles properly so that the consortium members did not feel comfortable. This had affected the implementation of the project on the ground. Fortunately the consortium had established its Steering Committee, which consisted of Government representatives (BKSDA and BAPPEDA of the Provincial Government) and Board members of the consortium members. Several decision were taken by the Steering Committee, including to replace the Program Coordinator and to make the use of the TFCA office effective. The Administrator keeps maintaining the contacts with Steering Committee and the Consortium.

With regard to Consortium Sahabat, there was also governance problem which led to the conflict between the consortium members. After the efforts by the Administrator to reconcile the conflicting parties failed, BITRA was then decided to withdraw its position from the consortium. Fortunately the withdrawal of BITRA from the consortium did not affect badly the progress of the project. The project is now working under the leadership of PETRA.

B.1.2.3.2. Grantee's Financial Performance

Financially speaking, the grantees performance was not as good as it was originally planned. The total performance on financing up to 31st Dec 2011 was only 58% of the total planned annual budget (cash flow plan). It is shown in Table 2 and Table 8 the individual grantee's performance on the project expenditure. The problems on the low spending by the grantees include the late start in order to set up the internal consortium which led to the delay in the field implementation. Some activities which have to be implemented by third party often experienced delay which in turn is affecting the spending and the cash flow plan should be rescheduled accordingly.

As it has been mentioned previously, some grantees experienced problem with internal governance system within the consortium. The governance seems to have important roles in the overall management of the project, so that problem on governance would certainly be delaying activities. It is also important to note that the capacity of some grantees on administration and financing plays also important roles. Some grantees whose staffs need capacity building are those which may experience delay in the implementation of the project. It is noteworthy however, that the grantees just started to receive grants on April 2011, so that December is not the end of the first year's activities.

B.1.2.3.3. Grantee's Project Performance

In general, grantees' program performances seemed to be fairly good, in which about 94% in average of the planned activities for the year one have been accomplished and only 6% of planned activities could not be performed in the year 1 and has to be transferred to the second year.

The major achievement by grantees which can be highlighted for the year 2011 of TFCA-Sumatera Program include:

1. Establishment of Conservation Resolution Unit by YLI in reducing and resolving elephant- human conflicts;
2. Establishment of Kampar peninsula Multi-stakeholders Forum (FMSK) by JIKALAHARI involving government agencies, NGOS, private sectors, and local communities to collaboratively design and monitor Kampar peninsula peat swamp forest ecosystem management. JIKALAHARI has also successfully facilitate local people in Dosan Village, Riau to undertake

intensification and certification of community palm oil plantation to reduce deforestation;

3. Establishment and strengthening of 15 village-based and customary forests management in Jambi and West Sumatra provinces by WARSI

In brief, the details of the progress and achievement of each grantee are as follows:

IGA

- IGA performance was regarded as not very good due to their internal problem on the governance with the consortium. At the end of the first year of project period, the consortium and its Steering Committee agreed to replace the TFCA program Coordinator and the new Coordinator will be effectively started his duty on March 2012. Until the end of year 1 period, IGA has not submitted their annual report, so it is difficult to assess their performance except from its quarterly report.
- The only achievement which may be highlighted by IGA is Community based nursery facility in Linge Isaq ecosystem

YLI

In general YLI's performance is considered to be fair, while their performance reached about 63% of their planned activities have been accomplished. In the second year it is planned that YLI still have to carry over about 37% of the first year's planned activities. In brief, their major achievements are:

- Establishment of border demarcation units for Singkil Wildlife Reserve. The border demarcation units were established in two regencies namely Subulussalam and Aceh Selatan. The team has undertaken field surveys along the border and communicated their program regarding border demarcation to local communities along the border. From the field surveys, the team found out that along the border there has been land conversions into palm oil plantation and access roads. However, the team was unable to perform their planning further due to legal issue, and YLI is now in their efforts to coordinate with relevant agencies to solve the problem and keep the planning on track.
- Establishment of Conservation Resolution Unit at Naca village. YLI established a camp whose function is as the base camp for conflict resolution team in managing Elephant – human conflict that occurs around the village.
- Establishment of two community based nursery groups at le Jerenih and Naca Village along with nursery facilities. The nursery groups have been trained by YLI and Agriculture Extension Agency (Badan Penyuluhan Pertanian) of Aceh Selatan, and in the future they will provide nurseries for restoration plan of Singkil-Trumon wildlife corridor.
- Data on biodiversity potential of Rawa Singkil Wildlife Reserve. In supporting development of Strategic Plan of Rawa Singkil Wildlife

Reserve, YLI along with BKSDA Aceh have undertaken biodiversity surveys by means of 6 transects in surveying birds, mammals and density of Orangutan nesting trees.

Sahabat Consortium (PETRA)

In general PETRA's performance is considered to be fairly good despite their internal issues in the beginning of the project, while their performance has reached about 88% of their planned activities accomplished. PETRA still has 12 % of year 1 activities that yet have to be carried out in the second year. In brief, their major achievements include:

- Establishment of 8 community based nurseries for forest and wildlife corridor restoration of Batang Toru Forest Block.
- Establishment of 15 community based agroforestry groups, including training for intensifying cacao and rubber plantation in Batang Toru Forest Block and Batang Gadis National Park's buffer zones.
- Dissemination of CSR and HCVF scheme to be implemented by private sectors in Batang Toru Forest Block

JKALAHARI

In general JIKALAHARI performance is considerably good, while their performance reached about 80% of their planned activities accomplished. JIKALAHARI still have 20 % of year 1 activities that has to be carried out in the second year. In brief, their major achievements include:

- Successful establishment of Kampar peninsula Multi-stakeholders Forum (FMSK) that involving government, NGOS, private sectors, and local communities to collaboratively design and monitor Kampar peninsula peat swamp forest ecosystem management.
- Providing facilitation to local palm oil plantation in intensifying their crop management as well as certification its product in terms of RSPO to increase their yield and selling price through sustainable management of palm oil plantation. This scheme is aimed to save peat land forest by stopping further forest clearing for oil palm expansion.
- Strengthening women groups awareness and involvement in managing peat land forest by increasing their incomes through household gardens scheme.

WARSI

In general KKI-Warsi's performance is considerably good, while their performance reach about 85% of their planned activities accomplished. In brief, their major achievements include:

- Establishment and strengthening of 15 village-based and customary forests management in Jambi and West Sumatra provinces, including increasing capacity of the management body of each village or customary forest. This scheme is expected to directly protect about 63.000 ha of

natural forests of Kerinci Seblat landscape at the buffer zone of the national park. From 15 villages, WARSI has successfully obtained the decree of the Ministry of Forestry which license 9 Village Forests, and 6 Customary Forests and which then legalized by the Head of Regency (Bupati).

- Involvement of Warsi in the process of revising spatial plan of Bungo and Solok Selatan regencies to take ecological approach into account.
- Maintaining and strengthening market for local and non timber forest products from assisted villages directly with large scale buyer, i.e Bridgestone Medan in marketing rubber latex.

B.1.2.4 Stakeholders Coordination Meetings

It was realized that close relationship with all stakeholders involved in the field project is crucial for the success of a grantee to achieve its objectives. Therefore, coordination meetings between grantees, local authorities and other local stakeholders were one of the important activities which should be organized in order to gain local supports for the effective implementation of the projects. The coordination meeting was proposed as the medium to develop coordination and or cooperation initiatives in the implementation, monitoring and evaluation of the project at site level whereby local authorities and private sectors should play their roles. This meeting is best attended and facilitated by the Ministry of Forestry and supported by TFCA Oversight Committee.

Two coordination meetings were held during the first semester and another two were undertaken at the second half of 2011. From these meetings, it is obvious that grantees need a continuous guidance and monitoring. Capacity building on project administration (particularly related with finance) which has been undertaken by the Administrator is particularly important. However, more guidance (by the Administrator or independent Technical Assistance) on the program governance, especially to those of consortium which consists of more than one organization is extremely needed. Lessons were also learned from the successful grantees and other stakeholders at this particular meeting.

B.1.2.4.1. Coordination meeting in Banda Aceh with IGA and YLI stakeholders

The Banda Aceh coordination meeting was undertaken on 15th of June 2011 where two grantees, namely YLI and IGA were two organizations working in Aceh Province, namely in Singkil Wildlife Reserve (YLI) and Linge Isaq Hunting Reserve (IGA). The purpose of the meeting includes:

- a. To inform stakeholders, especially local authorities regarding TFCA-Sumatera activities by grantees in Aceh region,
- b. To obtain inputs from stakeholders to improve implementation of TFCA-Sumatera activities

- c. Synchronizing TFCA-Sumatera activities with government's programs in correlation with forest and biodiversity conservation
- d. Guiding grantees to undertake effective technical communication and coordination with government and private sectors in implementing on ground activities.

Several conclusions taken from the deliberation of the meeting include:

- In general YLI and IGA were required to undertake intensive communication and coordination with local government both in the province and regency levels, including BAPPEDA, BAPEDAL, DISHUT, as well as Technical Implementation Units of the Ministry of Forestry (BKSDA Aceh, Leuser National Parks and BPDAS), to synchronize their activities on the ground in order to prevent overlapping of activities;
- To solve the problems in Rawa Singkil Wildlife Reserve, through TFCA project YLI is required to assist BKSDA Aceh to:
 - Undertake border reconstruction and demarcation of the wildlife reserve,
 - Develop a Medium Term Management Plan,
 - Establish Conservation Response Unit to address elephant-human conflicts,
 - Facilitating regular forest monitoring,
 - Undertake restoration across 2 sites, and
 - Strengthening status of forest corridors.
- To solve the problems in Linge Isaq Game (hunting) Reserve, through TFCA project IGA is required to assist BKSDA Aceh to:
 - Develop Management Plan,
 - Develop community base hunting / game ecotourism,
 - Provide key species home range data base,
 - Facilitate forest illegal activities monitoring and survey,
 - Strengthening customary law and institution,
 - Develop conservation management database,
 - Develop agro forestry for land rehabilitation,
 - Develop NTFP products.

Several important issues were also raised during the meeting. These include:

- Confusion regarding the Decree of the Minister of Forestry on Rawa Singkil Wildlife Reserve size and boundary. It is required that the Ministry of Forestry to give clarification.
- Lack of communication and fragile internal coordination among members of IGA Consortium may potentially put program implementation at risk;
- Lack of communication and coordination between IGA and BKSDA Aceh and BPDAS Aceh may also be a potential problem in the near future.

- It was recommended that IGA should develop an internal governance system, including communication and other administration procedures. The Administrator and BKSDA should monitor the progress closely.

B.1.2.4.2 Coordination meeting in Pekanbaru with Jikalahari's stakeholders

The coordination meeting in Pekanbaru was undertaken on the 27th of June 2011. The meeting was attended by 50 participants, and importantly, it was attended by several officials from the Directorate General of Forest Utilization (BUK) and Riau Province Forest Service and District Forest Service which are in charge with forest concession and production. Also attended this meeting were officials from the Coordinating Ministry of Economic Affairs. Five concessionaires: PT. Riau Andalan Pulp and Paper (RAPP), PT. Sinar Mas Forestry Group, PT. Asian Agri, PT. The Best One and PT. Inhutani Seraya working in Kampar Peninsula were also represented in this meeting. The meeting was especially interesting as it dealt with production forests of Kampar Peninsula where JIKALAHARI is working, and where involvement of private sectors is obvious. Similar to the Aceh meeting the purposes of this meeting included:

- a. To inform stakeholders regarding TFCA-Sumatera grantees activities
- b. To obtain inputs from stakeholders (especially those of private sectors) to improve implementation of TFCA-Sumatera activities
- c. Synchronizing TFCA-Sumatera activities with government's programs in correlation with forest and biodiversity conservation
- d. Guiding grantees to undertake effective technical communication and coordination with government and private sectors in implementing on ground activities.

Conclusions and recommended follow-up actions from the meeting include:

- Riau, in particular Kampar Peninsula area represents various dynamic issues concerning forest management. This area consists of Timber Estates and Logging Forest Concessions (HTI, HPH), Protected and Conservation forests (National Parks, Protected Forests, Wildlife Reserves, etc.), as well as a model for Forest Management Unit (KPH) developments.
- Private sectors were requested (both mandatory and voluntary) to comply with government regulation, quality certifications, Best Management Practices and Sustainable Forest Management principles.
- JIKALAHARI as one of the TFCA grantees is required to undertake intensive communication and coordination with Local government, in particular Forestry Agency (Forestry Service) at both Provincial and district levels, in order to synchronize the initiative of Collaborative Management scheme proposed by JIKALAHARI and the newly established Forest Management Unit (KPH)

- It is also important that JIKALAHARI should maintain close coordination with Technical Units of the Ministry of Forestry (BKSDA Riau), Riau Forest Service as well as private companies operating in Riau.
- To effectively protect and manage Senepis, Kampar Peninsula, and Kerumutan landscapes, the following activities are needed to be followed up:
 - Supports and contribution towards forming and strengthening Forest Management Unit (KPH) from all stakeholders. Indeed, a public management institution is needed to synergize with KPH Tasik Besar Serkap within Kampar Peninsula.
 - JIKALAHARI is mandated to develop Collaborative Management Plan with close cooperation with the KPH
 - JIKALAHARI is suggested to facilitate private companies in Kampar to implement BMP and certifications
 - A baseline information is needed to measure output of local community livelihood, and JIKALAHARI needs to prepare an argument regarding non timber utilization from forest
 - Strong commitments from all stakeholders are needed to implement ecosystem restoration by private companies, in particular supports from Bupati, Governor, and the Ministry of Forestry. Further communication should be done with the related authority to discuss possibility to change the Timber Estate concession (HTI) into Ecosystem Restoration concessions, as has been initiated by PT Sinar Mas.

B.1.2.4.3. Coordination Meeting between Petra-Bitra and Local Authorities

Coordination meeting between consortium Sahabat and the local authorities were undertaken on August 2011. Apart from the general purposes of the coordination meeting, namely to synchronize and coordinate activities and plans among Consortium Sahabat-Bitra and its key local stakeholders, the meeting in Medan was also intended to discuss two issues:

1. Consortium Sahabat- Bitra collaboration in relations with local authorities
2. Concerns over the mining issue in Batang Gadis National Park

Some of the recommendations of the meeting include:

- Management of the Batang Gadis National Park was constrained by the verdict of the Supreme Court which accepted legal suit by Sorik Mas Mining Company, so that about 33,000 ha of the park's area would be of mining concession, and the remaining 75,000 ha would be fragmented into four parts. In this regard, TFCA may take a role in solving the problem in line with TFCA mandates;

- The consortium of PETRA-BITRA was expected to work together with local government, NGOs and private sectors to find ways related to the verdict of the Supreme Court;
- The consortium of PETRA-BITRA would be able to continue its works on 1) assessment and baseline data collection for the conservation and restoration planning; 2) Rehabilitation, protection and sustainable use; 3) local community economic development; 4) conservation collaboration with private sector; and 5) communication and information and political support for conservation.
- The consortium of PETRA-BITRA should work on addressing illegal mining within and surrounding the national park by among others building coordination with BKSDA and Forestry Service at province and district levels.
- Advocacy and political approach are needed at local and national levels supported by approach to the investor of the mining company.

With regard to the internal problem of the consortium, it was found that BITRA, a member of the consortium Sahabat, had sent their letter to the Administrator on their willingness to withdraw from the membership of the consortium, despite the previous mediation undertaken by the Administrator. Following an extensive discussion with the Administrator it was agreed that PETRA to take up the continuation of the program component of Batang Gadis National Park, with further guidance from the Administrator.

The Oversight Committee at its meeting (12th meeting, October 2011) expressed its concerned over TFCA intervention on Batang Gadis National Park with the absent of Bitra (which has pulled out from the consortium) as the OC views that Petra does not have sufficient experience in working in Batang Gadis National Park. In this regard, the works of Petra must be intensively monitored since its strategic partner has pulled out from the consortium. The representative of the OC from the Ministry of Forestry mentioned that unless some actions are taken, we will lose Batang Gadis National Park. It was agreed that TFCA should bring the argument that Batang Gadis NP should be considered as a public interest. Therefore, TFCA should set aside funds that initially will be given for program in Batang Gadis National Park to some efforts to save Batang Gadis NP from the mining issue. If necessary TFCA may provide off cycle grant in regard supporting BITRA or other NGOs could be decided as the grantee to undertake the advocacy program to save the national park. The agreement between TFCA and Consortium Sahabat may be reviewed to modify the budget component allocation.

B.1.2.4.4. Coordination Meeting between KKI-Warsi and Local Authorities

Coordination meeting between KKI-Warsi and local authorities was organized in Padang on 14th December 2011. The meeting was attended by the Administrator, Kerinci-Seblat National Park Authority, BKSDA and was opened by the Head of the West Sumatra Province Forest Service.

It was reported that the project objectives undertaken by KKI-Warsi were particularly well-progressing. The objective includes protection of natural forest and local people development through revision of conservation based spatial plan, Community based forest management, restoration of degraded land, community based forest management for the strengthening local people economy and promotion of sustainable practices. The project has shown initial stage of conservation impacts, which include:

- Model village as the lessons for adoption by other villages on the community based forest management has been developed in Lubuk Beringin;
- Development of sustainable use of natural resources such as environmental services.

From the deliberation of the meeting, some recommendations were put forward for further actions. These include:

- The local stakeholders, including local government and local people should involve in the control of national park's encroachment;
- All stakeholders should fully utilize and strengthen the traditional and local wisdom in forest conservation in order to protect and sustainably utilized forests;
- Some actions which need to be followed-up include:
 - Synergy at implementation level between all stakeholders working on protected areas is needed;
 - Institution strengthening at village level for forest management;
 - Development of community based forest management model for village forest, customary forest and communal forest for application in other areas.
 - Encouraging local government agencies in accommodating community's and NGO's input in revising regional spatial planning
 - Capacity building for local government regarding road construction plans across Kerinci Seblat National Park area, in term reducing impact to the national park and it's biodiversity

B.1.3. TFCA Supports for Batang Gadis National Park

Growing concern over the issue of mining in Batang Gadis National Park has led to the OC to discuss what TFCA could do on this issue. The Supreme Court's decision dated 17 September 2008 No.29P/HUM/2004 granted the right of PT Sorik Mas Mining (SMM) to undertake mining activities on its concession in part of the national park, and ordered the Minister of Forestry to revoke the Decree of the Minister of Forestry No. SK.126/Menhut-II/2004 (regarding the establishment of the 108,000 ha area of Batang Gadis National Park) and requested the Minister to immediately execute the Supreme Court decision. The consequences of the execution of the Supreme Court verdict will be leading to the fragmentation of Batang Gadis National Park area into 4 parts (covering 21,297 ha, 71 ha, 43,390 ha and 7392 ha). The Ministry of Forestry has to released the national park status of part of the area and it will be a great loss for conservation efforts in Indonesia.

Concerning the issue aroused in conjunction with the Supreme Court verdict and the consequences on the national park and conservation in general, the OC recommended at its 12th OC meeting that TFCA-Sumatera to identify possible allocation of funds, including possibilities to provide off cycle and/or additional grants, for other NGOs to conduct activity, advocacy or other campaign programs to save Batang Gadis National Park.

As to response the OC instruction, the Administrator has checked whether the current grant to Consortium Sahabat would be able to be modified to address the issue on mining. It was found however, that the Batang Gadis project component of the consortium was not related to advocacy and the activities have been progressing. Therefore, it is suggested that the project should proceed as is currently planned, and the OC should take decision on whether TFCA would support the advocacy on Batang Gadis National Park through off grant cycle.

With regard to the situation where the Minister of Forestry was forced to immediately execute the Supreme Court's verdict, KEHATI, CI and or local NGOs took initiative by conducting some actions as follows:

a. Gathering petition letter to postpone the execution by the Minister of Forestry

In order to obtain sufficient time to consolidate and organize legal and non-legal follow-on by the NGOs and other organization to save Batang Gadis National Park, the Minister of Forestry should delay the execution. In this regard, KEHATI and CI organized a petition of NGOs from Jakarta and local to be sent to the Minister. Petition to the Minister of Forestry by Jakarta-based NGOs was signed and submitted on December 22, 2011. The participating NGOs include KEHATI, CI, TNC, WWF, Burung Indonesia, Wetlands International, WCS, and Bitra.

Two petitions on the "Save Batang Gadis National Park" have been organized at local level and sent to the Minister of Forestry with copies to the President, Coordinating Minister of Economic Affairs, Minister of Energy and Mineral Resources, and local Government, directly from the local level. These include:

- **Medan.** Workshop was undertaken on December 1st, 2011 and attended by 8 NGOs: KPHSU (Kelompok Pelestari Hutan Sumatera Utara), YEL (Yayasan Ekosistem Lestari), PETRA, CII-Sumatera, PUSAKA Indonesia, LBH Medan, BITRA and SAMUDERA. NGOs which did not attend the meeting but agreed to sign the petition include: WALHI Sumut, KONTRAS Sumut, Elsaka and JRKI (Jaringan Radio Komunitas Indonesia) Sumut. Press conference was undertaken at this meeting, attended by 9 journalists. One of the news may be visited online in Harian WASPADA online (http://epaper.waspadamedan.com/index.php?option=com_content&view=article§ionid=5&id=921&bsb_midx=0). This activity was organized by KPHSU;
- **Mandailing Natal.** A workshop undertaken in Penyabungan on the 6th of December 2011 was attended by 35 persons from Religious Organizations, Religious Scholars, Customary Community, NGOs, Students Organization and Mass Organization such as Majelis Ulama Indonesia (MUI) Madina, Pesantren Musthafawiyah, Organisasi Konservasi Rakyat (OKR) Madina, FK3I, Forum Nagajuang, HMI Madina, PMII Madina, BPGC (Batang Pungkit Green Conservation), FORMANTAM (Forum Masyarakat Anti Tambang), Uta Godang Muda, eLKAR, SAMUDERA, MASAPAKAT, Masyarakat Adat Madina and CII Sumatera. This activity was also attended by representative from Batang Gadis National Park Authority (as a resource person) and organized by Perkumpulan SAMUDERA and OKR Madina.

b. Courtesy Call to the Presidential Advisory Council

In order to obtain more political support KEHATI paid a visit to Prof. Emil Salim, Chairman of the Presidential Advisory Council of Environmental Affairs and Sustainable Development to request his advice and support on the issue of Batang Gadis National Park.

Mr. Emil Salim expressed his support to maintain Batang Gadis as a national park and responsively asked KEHATI to write him a draft letter to be sent to the Chairman of the Supreme Court. But after further consideration, Mr. Emil Salim saw that it would be difficult to ask the Supreme Court to revoke their verdict because legally PT. Sorik Mas Mining has a strong basis and position with such a verdict. Therefore, he advised that we approach PT. Sorik Mas Mining to perform environmentally friendly mining practice to minimize the impact to the biodiversity and environment. In this regard, TFCA may be able to support NGOs willing to perform this activity.

c. Support to local NGOs to undertake advocacy on Batang Gadis Issues

TFCA-Sumatra in collaboration with JATAM (Jaringan Advokasi Tambang) has undertaken several activities important to raise awareness about the importance of TN Batang Gadis and further implications on the implementation of the Supreme Court decision No.29P/HUM/2004 September 17, 2008 on the ecology, economy and social of the site.

TFCA-Sumatera supported activities conducted by JATAM on the advocacy of Batang Gadis National Park issue. With the consent of the Chairman of the OC, TFCA-Sumatera supported to fund these activities that includes:

1. Press Conference on TNBG on November 18, 2011.
Due to not many journalist were able to attend in this event hosted by Jatam, we send the press release to various mass media and news agency.
2. Journalists Discussion on Batang Gadis
On Monday, 05 December 2011, JATAM with support from TFCA organized a journalist discussion attended by about 25 journalist from various medias. The speakers include the followings:
 - 1) *Ir. Sonny Partono, MM*, Director of Conservation Areas and Forest Protection Management, Directorate General of Forest Protection and Nature Conservation Ministry of Forestry.
Topic : Implications of Supreme Court Decision on the Status and Function of TNBBG
 - 2) *Henri Subagiyo*, ICEL
Topic : Verdict on the Material Examination of the Decree of the Minister of Forestry No : SK-126-Menhut-II/2004
 - 3) *Hendrik Siregar*, JATAM
Topic : Implications of Presidential Decree 41 of 2004 on PT.SMM

After the discussion by the journalist, we found a number of coverage on Batang Gadis issues emerged on a number of media. Below are some articles that we could monitor:

- Kemenhut tak akan Beri Izin Tambang di Batang Gadis
<http://regional.kompas.com/read/2011/12/05/16222431/Kemenhut.Tak.Akan.Beri.Izin.Tambang.di.Batang.Gadis>
- Tambang Emas Ancam Taman Nasional Batang Gadis
<http://www.greenradio.fm/news/latest/7368-tambang-emas-ancam-taman-nasional-batang-gadis>
- JATAM : Kemenhut Jangan keluarkan Izin Pinjam Lahan Ke PT.Sorik Mas Mining
http://www.majalahtambang.com/detail_berita.php?category=18&newsnr=5089
- Soal PT.Sorik Mas Mining, Kemenhut Akan Lakukan Kajian
http://www.majalahtambang.com/detail_berita.php?category=18&newsnr=5091
- Ratusan Ribu Hektar Berubah Fungsi, Kompas daily, 7 December 2011
- Menhut Diminta Tunda Eksekusi Putusan MA, hukumonline.com
<http://hukumonline.com/berita/baca/lt4ee3154edf74f/menhut-minta-tunda-eksekusi-putusan-ma>
- Taman Nasional Tergusur, Kompas daily, 15 December p.23
- Menhut Pasrah Taman Nasional Batang Gadis Jadi Tambang Emas. Detik.com, 13 December 2011
<http://finance.detik.com/read/2011/12/13/153446/1790112/4/gawat-taman->

[nasional-batang-gadis-akan-dijadikan-tambang-emas](#)

- Taman Nasional Batang Gadis Terancam Pertambangan, December 14, 2011
<http://www.satuportal.net/content/taman-nasional-batang-gadis-terancam-pertambangan>
- TN Batang Gadis Jadi Tambang Emas, Menhut Kena Protes, December 18, 2011
<http://finance.detik.com/read/2011/12/18/172903/1793944/4/tn-batang-gadis-jadi-tambang-emas-menhut-kena-protes>

d. Creating online petition

Rallying supports has also been done through cyberspace. JATAM initiated the creation of effective online petition launched since 7 December 2011. Anyone can participate by signing support through:

<http://www.thepetitionsite.com/1/petisi-menyelamatkan-status-taman-nasional-batang-gadis/>

Up to the writing of this report, there have been 522 supporters of the petition to save the status of the Batang Gadis as National Park.

B.2. Second Grant Cycle

B.2.1. Preparation for the Second Grant-Cycle

Gap analysis on TFCA intervention of the first grant cycle was made on the priority landscapes so that TFCA would be assisted in selecting the proposed intervention at the current and new landscapes. The analysis showed that at the priority landscapes

of the first grant cycle it was shown that the large landscapes of Leuser Ecosystem and Kerinci-Seblat National Park still need further intervention. Several threats such as encroachment and other pressure on the national parks need to be addressed. Therefore, these two landscapes deserve further intervention in the second cycle.

For the new landscapes, Bukit Barisan Selatan National Park (BBSNP) certainly need attention especially on the eradication of invasive alien species, namely *Meremia peltata* which already invades the park very fast.

Along with Kerinci Seblat National Park and Gunung Leuser National Park, BBSNP is one of the cluster of three national parks inscribed as World Heritage Site: Tropical Rainforest Heritage of Sumatra, which is currently under severe threats and proposed by World Heritage Committee to be included in the List of World Heritage In Danger. Other suggested new landscapes, namely Siberut-Mentawai islands, Sembilang-Berbak national Parks and Tesso Nilo – Bukit Tiga Puluh National Parks also merit the TFCA intervention because of the threats to these landscapes.

The OC at its tenth meeting (March 31, 2011) agreed that the large landscapes, namely Leuser Ecosystem and Kerinci-Seblat National Park should still be considered for the second grant cycle. The OC considered three new landscapes from the Administrator's suggestion, namely the landscapes of Bukit Barisan Selatan National Park, Teso Nilo-Bukit Tiga Puluh National Parks and Siberut-Mentawai Islands landscapes to be included in the next cycle of grants.

Call for Concept Papers was announced via TFCA-Sumatera website, mailing list, on 15 April and was opened for grant application until May 31st, 2011. After the closing date the administrator received 39 concept papers from 39 proponents. The distribution of the proposed projects in the concept papers can be seen in the map of Figure 2.

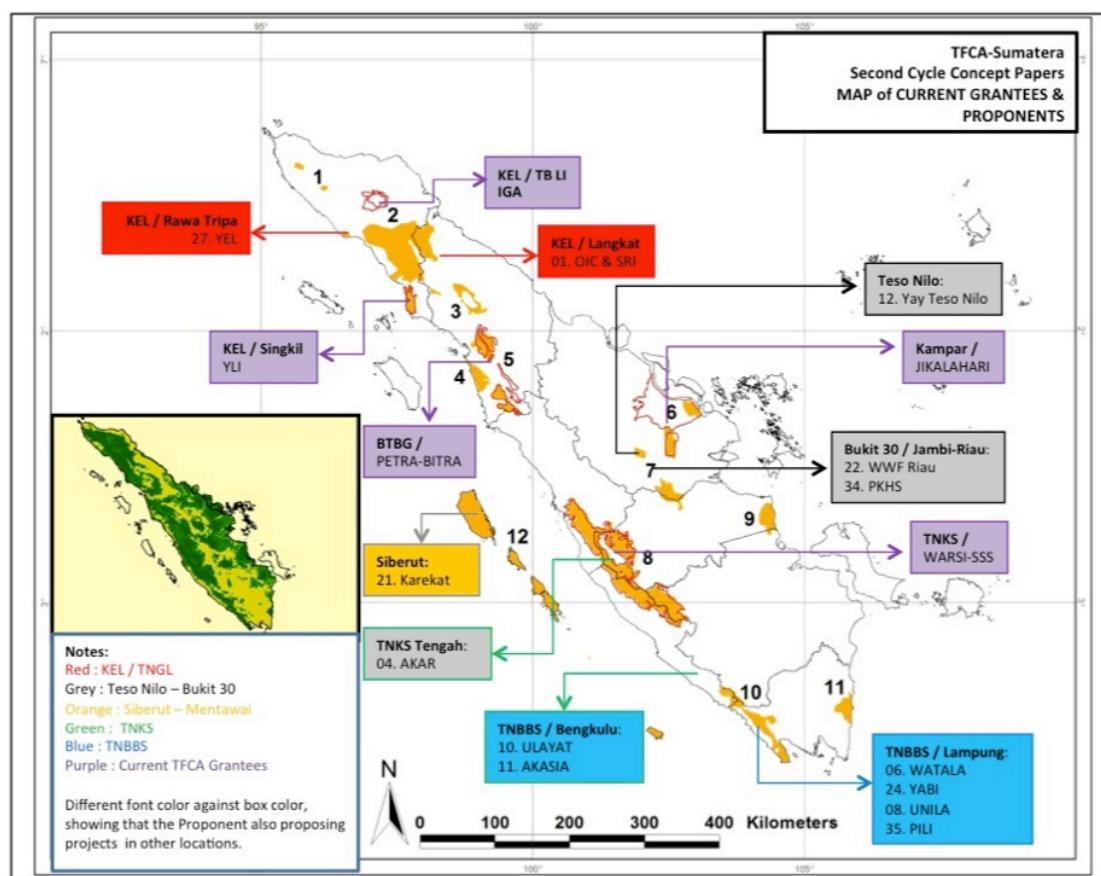


Figure 2. Map of proposed project distribution from received concept papers

The technical members of the OC and the Administrator reviewed these concept papers and recommended 13 concept papers to be further considered to develop the concept into full applications. These 13 proponents and concept papers were further suggested to merge and asked to result in 9 full proposals of 9 consortiums based on their location proximity, landscapes and program that supports the objectives of a strong proposal.

These consortiums and the proposed landscapes of intervention are as shown in Table 4.

These consortiums and associated landscapes and intervention were then recommended to the OC for decision at the 11th meeting of the OC in July 2011.

Table 4. The Consortium and the Proposed Landscapes Suggested for Consideration by the OC

No	Name of consortium	Landscape
1	Consortium Yayasan Ekosistem Lestari	Leuser ecosystem
2	Consortium Orangutan Information Centre	Leuser ecosystem
3	Consortium Yayasan Taman Nasional Tesso Nilo	Tesso Nilo National Park
4	Consortium WWF Riau and Konsorsium Yayasan Penyelamatan dan Konservasi Harimau Sumatera (PKHS)	Bukit 30 National Park
5	Consortium Yayasan Kirekat Indonesia	Siberut National Park
6	AKAR Network	Kerinci Seblat National Park
7	Consortium Ulayat and Konsorsium Akasia	Corridor Bukit Barisan Selatan National Park - Kerinci Seblat National Park
8	Consortium Watala and Konsorsium Yayasan Badak Indonesia	Bukit Barisan Selatan National Park
9	Consortium Universitas Lampung and Konsorsium Pusat Informasi Lingkungan Indonesia	Bukit Barisan Selatan National Park

B.2.2. Decision on Grant for the Second Cycle

At its 11th meeting the OC agreed with the OCTM recommendation in which selected 13 concept papers were approved to be further developed into full proposals with the condition that some concept papers and associated proponent institutions to merge together. These were PKHS which should merge with WWF Riau; PILI with Unila; and Kirekat with Ulayat. As the results, there were 9 consortiums to proceed to develop full proposals with possible grant assistance of maximum Rp. 50 million to undertake multi-stakeholder workshop, consortium development and proposal finalization. The proponents were given about 45 days to finalize the proposals with the deadline of 30 September 2011.

The workshop schedules for all proponents to develop full application for the second grant cycle can be seen in Table 5. The Administrator and or some of OC Technical Members were present at these workshops as an observer and resource person, in case there is any questions related to the proposals. However, the Administrator could not intervene on the content of the proposals as to avoid perception that the proposals would be automatically granted.

Table 5. Workshop Schedule of the Proponents to Develop Full Proposals

Consortium name	Location	Date
1. Akar Network	Jambi	15 September
2. Consortium WWF Riau	Pekanbaru	20-22 September
3. Yayasan Ekosistem Lestari (YEL)	Banda Aceh	15 September
4. Consortium Yayasan Orangutan Sumatera Lestari – Orangutan Information Centre (OIC)	Medan	20 September
5. Consortium Yayasan Kirekat Indonesia (YKI)	Pekanbaru	21 September
6. Consortium Ulayat Bengkulu	Bengkulu	27 September
7. Consortium Watala.	Bandar Lampung	26 September
8. Consortium Yayasan Taman Nasional Tesso Nilo	Pekanbaru	16-18 September
9. Consortium Universitas Lampung-PILI	Bandar Lampung	21 September

Review process of the proposals was undertaken by the Administrator and the technical members of the OC from the 1st – 20th of October 2011 and recommendations were submitted to the 12th meeting of the Oversight Committee. The Oversight Committee, at its 12th meeting (26th October 2011) decided that two proposals from two consortiums, namely proposals of Ulayat – Akasia and Watala-YABI consortium should be rejected. The main reason of the rejection was that the proposals did not meet the expectation of the OC to express logic, integrated and realistic interventions which lead to the significant conservation impacts at landscape level.

Despite the decision of the OC to receive TFCA grants, the winning seven proposals were still subject to further improvement. The improvement of the proposals should be intensively guided and assisted by the Administrator and technical members of the OC. In addition, their budget have also to be negotiated and matched with the proposed activities. The results of this improvement along with the final budget would be decided by the OC at its 13th meeting in March 2012.

B.3. External Evaluation of TFCA Administration

The Forest Conservation Agreement calls for periodic evaluation of TFCA-Sumatera. The Oversight Committee formed a temporary Procurement Sub-committee and held a competitive tender process for an independent evaluation of TFCA-Sumatera, to cover all aspects but particularly the work of the Fund Administrator KEHATI.

Acting on the decision of the Procurement Subcommittee, the Fund Administrator contracted with PT Hatfield Indonesia to provide a team of two consultants, one a

national of the United States (R.C. Kirkpatrick), the other a national of Indonesia (D.A. Kosasih), as the core evaluation team. Both were resident in Indonesia and had extensive experience with the non-governmental organizations in the environmental sectors. The evaluation team for TFCA-Sumatera reviewed:

- Compliance with TFCA legal agreements;
- Governance structures and their operation, including TFCA-Sumatera's strategic plan;
- Management and administration frameworks, particularly with regard to grant-making and to the implementation of a plan for monitoring conservation impact; and
- Financial management.

The key findings of the evaluation are as follows:

- TFCA-Sumatera has become well-established in the two years since the signing of the Agreements. TFCA-Sumatera has built the requisite governance frameworks and has successfully completed the first round of proposal solicitation and grant approval. In terms of time from the signing of the Agreements to the signing of the first grants, TFCA-Sumatera did better than average for the TFCA family of funds. Both the Oversight Committee and the Fund Administrator KEHATI have done a good job.
- Stakeholder buy-in for TFCA-Sumatera is strong among local NGOs in Sumatra, as well as among the organizations represented on TFCA-Sumatera's Oversight Committee. Stakeholder buy-in by local governments and by the private sector is weaker, however. TFCA-Sumatera needs greater engagement with local governments and the private sector if it is to reach for what the evaluators believe should be one of its goals: to drive a movement for biodiversity conservation in Sumatra.
- While TFCA-Sumatera is designed as the largest TFCA program to date, US\$30 million is a small amount compared to the investments in Sumatra by other government agencies and by the private sector. To meet the conservation objectives of its strategic plan, to rise above "business as usual," the evaluators believe that TFCA-Sumatera must act as a catalyst or driver for a collaborative, multi-stakeholder approach to conservation. While TFCA-Sumatera has become successfully established and has worked with numerous stakeholders to design appropriate projects, TFCA-Sumatera is not yet poised to play this catalytic role.

In addition to the good performance compare to other TFCA programs, Governance structure are adequate, although started slow, TFCA-Sumatera considered fast among other TFCAs in the world. However, OC would be vulnerable if no attention to succession planning. Furthermore, it shows good strategic planning and process to manage grants, financial controls and adequate accounting systems. However, reporting is not as good as required in the FCA, meanwhile monitoring and evaluation framework are under development. There were needs to evaluate capacity building, especially on how much technical assistants needed. It was found that investment policy is uncommonly conservative.

Hatfield recommends the followings: 1) recommit agreements; 2) initiate succession planning in governance; 3) improve reporting, monitoring and evaluation operation, rationalize capacity, 4) review investment plan, 5) remain vigilant against the misuse of funds.

In addition, there are overarching issues, such as: reporting, communication strategies, capacity and technical assistances (needs, impact on finance, role). Communication strategy should be more developed. Monitoring and evaluation should be done in-house, however we should build local capacity to undertake monitoring and evaluation to avoid KEHATI becoming too large. However, there will be consequences on budget, which may lead to the increase of budget ceiling (cap) for the management.

C. Financial Report

C.1. Trust Fund Management

Up to December 2011 the Government of Indonesia has transferred a sum of US\$ 10,212,651.31 as part of its obligation in accordance with the Debt Swap Agreement. The results of investment received from interest of the fund in the DSA which was US\$ 13,280.94, so that total funds received up to December 2011 was US\$ 10,225,932.25.

Withdrawal from the Trust Fund since its establishment up to December 2011 for the management expenses to Management Account at Bank Permata was US\$ 399,858.24. Withdrawal was also done for the first cycle grant commitment and assistance to develop full proposals, which was US\$ 1,607,197.75. Remittance Fee was US\$ 272.70 and Trust Fund management fee (establishment fee and annual fee for 2009-2011) was US\$ 74,084.95 and miscellaneous expenditure by HSBC was US\$ 16,744.49. At the end of December 2011 the total expenditure from DSA was 2,098,158.13, so that the ending balance of the TFCA funds in the Trust Fund was US\$ 8,127,778.32 as may be seen in Table 6.

Table 6. The Position of the TFCA Funds at the DSA (in US\$) based on HSBC report up to December 2011

DEBT SERVICE ACCOUNT (DSA) (In US\$)

RECEIVED	
Transfer from GOI	10,212,651.31
Interest	13,280.94
Total Received	10,225,936.18
EXPENSES	
Transfer to Grant Account (BNI '46)	1,607,197.75
Transfer to Management Account (Permata Bank)	399,858.24
Annual Trustee Fee	74,084.95
Remittance	272.70
Miscellaneous	16,744.49
Total Expenses	2,098,158.13
Balance at DSA	8,127,778.05

It was also committed that TFCA assists proponents to develop full application approximately Rp. 50,000,000 each or total for 16 proponents the Administrator withdrew from the DSA a sum of Rp. 800,000,000 to conduct multi-stakeholders meeting for proposal development. In this regard assistance was given to develop full application for first grant cycle (7 proponents) and second grant cycle (9 proponents), in the amount of Rp. 607,019,351. So that there was a balance of Rp. 192,980,649.

As it has been committed, in the first year of the first grant cycle the Administrator has withdrawn from the DSA a sum of Rp. 10,916,943,967. From this commitment, the grant disbursed to five grantees up to 31st December 2011 was 7,824,805,000 (72%). Total balance at FCA Grant Account at 31 December 2011 was Rp. 3,092,138,967 (28%).

From the total amount disbursed to grantees, the grantees spent a sum of Rp. 5,548,321,561 (51% of annual the grant commitment). So that the balance which stayed at grantees' account was Rp. 2,276,483,439 (49 % of annual committed grant). Table 7 shows the detail of these accounts.

C.2. Management Expenses of the Administrator for 2011

During 2011 the Administrator spent a sum of IDR 2,218,708,742.77 on the expenses of activities which include personnel salaries, meeting/workshop, travels (OC member travels and TFCA staff travels), publication cost, professional services, and general administration. The budget for the management expense was IDR 2,779,873,950 so that there was a balance of IDR 561,165,207.23. The detail of the expenses may be seen in the financial report as shown in the Annex A.

In addition to this budgeted management expense, the OC decided that a sum of Rp. 248,325,000 was allocated for the payment of external evaluation undertaken in 2011 by PT. Hatfield Indonesia. Similar expenditure from management account was undertaken in 2010 when the OC decided to hire consultant to develop investment policy for TFCA. The amount spent for this purpose was IDR 294,000,000. This figure may be seen in detail on Table 7 and Figure 3 on the fund position at the end of 2011, and detailed spending may be seen in Annex A.

Figure 3. Position of the Fund at the Management Expense Account (in IDR) per 31st December 2011 (Budget, Actual Expenditure and Balance).

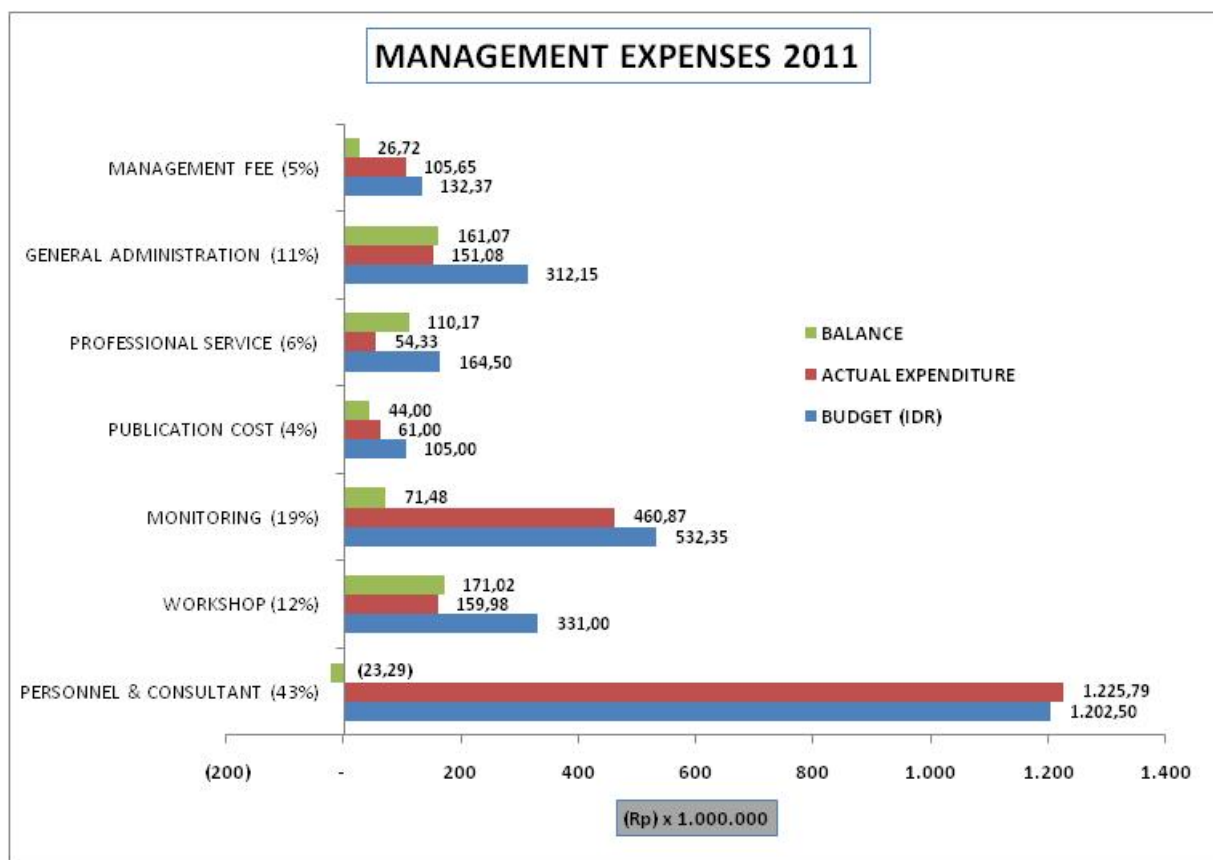


Table 7. The Position of the TFCA Funds at the FCA Grant Account and Management Expense Account (in IDR)

FCA GRANT ACCOUNT (IDR)

Grant to assist the development of full application to 7 proponents (1st cycle) and to 9 proponents (2nd cycle)

Grant commitment (1st and 2nd cycle)	800,000,000
Grant disbursed (1st and 2nd cycle)	607,019,351
Balance at FCA Grant Account	192,980,649
First Grant Cycle	
Grant commitment for the first cycle (1st year)	10,916,943,967
Grant disbursed to 5 grantees	7,824,805,000 (72%)
Balance at FCA Grant Account	3,092,138,967 (28%)
Grant spent during first year (2011/2012)	
Balance at Grantees Account	2,276,483,439 (49%)

MANAGEMENT ACCOUNT

Management Operational 2011		
Management budget 2011	2,779,873,950	
Management expenses	2,423,937,231	(87%)
Balance at management account	355,936,718	(13%)
Other expenses		
Budget		
Financial investment consultant	294,000,000	
External evaluation	248,325,000	
Expenses		
Financial investment consultant	294,000,000	
External evaluation	248,325,000	
Balance other expenses at management account		0

C.3. Grant Disbursement**C.3.1. Grant disbursement up to December 2011**

As it has been previously mentioned the Administrator has disbursed a sum of Rp. 7,824,805,000 to five grantees. The disbursement for the individual grantee can be seen in detail on Table 8. Table 8 also shows the actual expenditure of each grantee, compares with the funds they have initially planned (cash flow plan) and they have received from the Administrator (disbursement by the Administrator depends not only from the annual cash flow but also from the performance).

It is shown however, that for the first year up to 31 December 2011 the absorption (spending) of grants by grantees was not as good as it was initially planned and the total realization of the grants was Rp. 5,548,321,561 (58 %). Analysis of grantees' financial performance may refer to the monitoring and evaluation on section B.1.2.3.2. It should be noted however, that the grantees had just started the project on April 2010, so that the balance at the end of December 2011 was not the end of the first year's project of the grantees. Nevertheless, it is expected that some of the unspent budget for the 2011 are likely to be carried over to the second year (after March 2012). In addition, some grantees, namely YLI and Jikalahari, may need to have the grant modified. For Jikalahari it has been anticipated since the planning process, that its grant was calculated for the duration of two years with possible modification to three years. For YLI, it was found that some of the activities was accidentally budgeted below the standard (e.g. unit cost for boundary marking and salary for mahout or elephant trainer was budgeted below the government standard).

Table 8. Summary of the Grant Disbursement for the 2011 (in IDR)

No	Organization	Annual Budget (cash flow plan)	Disbursement	Realization	% *)	Balance
1	IGA	1,203,377,000	895,000,000	790,122,344	66%	413,254,656
2	YLI	1,692,760,000	1,108,805,000	637,837,385	38%	1,054,922,615
3	Sahabat Consortium	2,116,808,167	1,350,000,000	1,154,431,725	55%	962,376,442
4	Jikalahari	2,563,477,094	2,520,000,000	1,651,351,977	64%	912,125,117
5	KKI-Warsi	1,953,029,671	1,951,000,000	1,314,578,132	67%	638,451,539
TOTAL		9,529,451,932	7,824,805,000	5,548,321,563	58%	3,981,130,369

*) Percentage is based on annual budget

C.3.2. Total investment results up to December 2011 (Interest - Tax)

The investment resulted from the interests of the accounts in Bank Permata (management expenses) and Bank BNI (grants account) are as seen in Table 9. The tax is 20% fixed income tax directly deducted by the Bank. Total interest received in Bank Permata and BNI 46 was Rp. 109,771,098 as seen in Table 9.

Table 9. Investment Results from the Accounts Managed by KEHATI

BNI '46 (IDR)

Month	Interest	Charge	Tax	Total
January	2,528,037	120,000	505,608	1,902,429
February	2,082,533	55,000	416,507	1,611,026
March	8,828,331	115,000	1,765,667	6,947,664
April	16,763,825	110,000	3,352,765	13,301,060
May	16,183,868	25,000	3,236,774	12,922,094
June	15,660,975	25,000	3,132,195	12,503,780
July	15,792,469	25,000	3,185,494	12,608,975
August	12,616,086	25,000	2,523,218	10,067,868
September	10,712,556	85,000	2,142,512	8,485,044
October	10,611,731	95,000	2,122,347	8,394,384
November	8,535,235	70,000	1,707,047	6,758,188
December	7,415,013	30,000	1,483,003	5,902,010
Total	127,730,659	780,000	15,546,137	101,404,522

Permata (IDR)

Month	Interest	Charge	Tax	Bea	Total
January	94,946	25,000	18,989	6,000	44,957
February	85,764	25,000	17,153	6,000	37,611
March	782,372	25,000	156,474	6,000	594,898
April	2,305,684	45,000	461,137	6,000	1,793,547
May	1,343,623	225,000	268,725	6,000	943,898
June	869,955	40,000	173,991	6,000	649,964
July	804,154	150,000	160,831	6,000	487,323
August	1,153,815	140,000	230,763	6,000	777,052
September	1,547,094	55,000	309,419	6,000	1,176,675
October	1,415,721	272,000	283,144	6,000	854,577
November	926,644	160,000	185,329	6,000	575,315
December	639,699	75,000	127,940	6,000	430,759
Total	11,969,471	1,137,000	2,393,895	72,000	8,366,576

D. Challenges

There are several challenges which need to be addressed by the Administrator, the OC or even the grantees of TFCA. These include, but not limited to the following issues.

1. Governance at grantees' level. Considering the cases of IGA and Consortium Sahabat it is important to take into consideration the psychological effects of merging together two or more organizations into one consortium. There should be facilitation right in the beginning to strengthen the consortium formation. In addition, it may be necessary to strengthen the existence and the roles of Steering Committee at grantee's level.
2. Low grantee's spending. Some factors may have affected the grantees' performance in financial spending. Analysis of these factors may be seen in Section B.1.2.3.2. on grantees' financial performance.
3. Local policy and political issues. Some local policy and or political issues are also found to be major obstacle for the implementation of the TFCA projects on the ground. As an example, the case of mining in Batang Gadis National Park has placed TFCA in an unusual situation, where TFCA should stand whether would be financing advocacy or not. Other challenges are encountered in Aceh related to Tripa Swamp, where the local government prefer to issue licenses for plantation despite the legal and ecological status of the site. Political situation in Aceh (such as Governor election has also in some parts of IGA's projects, hampered the implementation of projects.
4. Administration capacity. There are several issues concerning the capacity of the administrator which may need attention. With the increasing number of grantees and projects, concerns over the monitoring, evaluation and reporting capacity is also growing. There have been two new staffs recruited, and this is probably the maximum number of staffs allowed within the Administrator. Some points of discussion, which include placing staffs at the regions and

collaborating with other projects or programs under USAID, such as IFAC may need to be addressed.

5. Program Implementation and Institutional issues at local level. The cases of IGA and PETRA concerning the internal governance problems has led to the concerns that TFCA should take into account the psychological effects when deciding to form consortiums or merging of several organizations, based on proposals or concept papers received.

E. Potential Collaboration and Follow-on Action

As it has been discussed previously, potential collaboration with other USAID programs may be envisaged. For example the IFAC program whose one of its sites coincide with TFCA site, namely in Rawa Tripa and in Singkil may be one of the collaborative works, including sharing local office. More technical issue is that considering the Rawa Tripa peat swamp and associated legal status, it may be a good idea to work together on designing a multi-stakeholder forum to drive local government and private sectors to be actively involved in halting land conversion and developing a multi-stakeholder forum.

There is also issue to increase NGOs capacity on project design, implementation, monitoring, evaluation and reporting. TFCA with collaboration of other donor, e.g. USAID may conduct a capacity building program for this purpose.

In response to Batang Gadis National Park issue, OC is advised to get PETRA or other NGOs to implement (including whenever possible, advocacy related) activities. TFCA may consider to have off cycle granting or accept unsolicited proposals.

ANNEX

MANAGEMENT EXPENSES FOR TFCA

For Period January - Desember 2011 (IDR)

ID	DESCRIPTION	BUDGET (IDR)	ACTUAL EXPENDITURE	BALANCE
A	PERSONNEL & CONSULTANT	1.202.500.000,00	1.225.793.327,00	(23.293.327,00)
B	MEETINGS/ WORKSHOP	331.000.000,00	159.982.648,35	171.017.351,65
C	TRAVEL	532.349.000,00	460.872.110,65	71.476.889,35
D	PUBLICATION COST	105.000.000,00	61.000.210,00	43.999.790,00
E	PROFESSIONAL SERVICE	164.500.000,00	54.325.966,80	110.174.033,20
F	GENERAL ADMINISTRATION	312.150.000,00	151.081.682,69	161.068.317,31
	SUB TOTAL	2.647.499.000,00	2.113.055.945,49	534.443.054,51
G	MANAGEMENT FEE	132.374.950,00	105.652.797,27	26.722.152,73
TOTAL		2.779.873.950,00	2.218.708.742,77	561.165.207,23
PROSENTASE		100%	80%	20%

FINANCIAL STATEMENT

Per December 2011

ACTIVA

BNI 46 Bank	3.499.686.715,00
Permata Bank	687.355.154,33
Cash	1.000.000,00
Advance	359.109.912,00
Other Receivable	-

Total Activa

4.547.151.781,33

PASSIVA

Payable	323.561.203,44
---------	----------------

Total Passiva

323.561.203,44

NETT ACTIVA

TFCA Program (management)	1.068.037.544,89
TFCA Program (grant)	3.054.645.486,00
Others	100.907.547,00

Total Nett Activa

4.223.590.577,89

Total Passiva and Nett Activa

4.547.151.781,33