



**MONITORING REPORT
INDONESIA – IDN – SOUTH SUMATRA FOREST FIRE
MANAGEMENT PROJECT.
MR-20158.02 – 03/11/04 (Date of Report)**

I. PROJECT DATA

Project Number: ALA/1999/0103	Responsible AIDCO: Paolo Curradi
Date Financing Agreement signed: 21/12/01	Responsible EC Delegation: Destriani Nugroho
Start date – planned: 16/01/03	Monitor: Anne Slamen-McCann
Start date - actual: 16/01/03	Project Authority: Ministry of Forestry (MoF)
End date – planned: 15/01/08	Sector/Subsector: 31210 – Forestry Policy and Administrative Management
End date - likely: 15/01/08	Monitoring visit date: From : 04/10/04 - To: 20/10/04

II. FINANCIAL DATA*

Primary commitment (project budget):	€	8500000
Secondary Commitment (funds contracted):	€	5752250
Funds Disbursed by the Commission:	€	2400412
Expenditure Incurred by Project:	€	NA

* As at: **11/10/04**

III. SUMMARY OF CONCLUSIONS

1. Relevance and quality of design	b
2. Efficiency of implementation to date	b
3. Effectiveness to date	b
4. Impact to date	b
5. Potential sustainability	b

Note: a = very good; b = good; c = problems; d = serious deficiencies

IV. EXPLANATORY COMMENTS

1. Relevance and quality of design.

The perennial problem of Indonesia's smoke and haze caused by fires (both forest and land) continues to affect the region although at a relatively lower level in the past two years because the 'El Niño' effect has not reoccurred. The project's community development approach to fire management and the extensive linking of key stakeholders to prevent and respond to fires remains very relevant and viable but ambitious as all stakeholders must be linked and functioning for it to work from province through local community, in conjunction with public and private entities. Its strength lies in its integrated pragmatic approach of building up and linking existing ideas, systems, organisations, and interests, using existing resources. 2005, mid project, is expected to be a test period with key economic data becoming available and the 'El Niño' effect happening. This will provide the first indicators that the approach can be fully effective. The logframe matrix (LFM) is revised with further refinements addressing gender issues. It is used fully in the extensive participatory planning of the project. The original financial breakdown allowed for significant expenditure in support of an elaborate fire fighting system including equipment. This has proven to be an overestimate because of the intervention logic/methodology, consequently there will be an unused amount, possibly Euro1 million+.

2. Efficiency of implementation to date.

The project is well managed with intensive, numerous and diverse activities involving a very large group of stakeholder/participants. Project has achieved the difficult balance of responsiveness / participative planning with meeting contractual obligations and EC regulations and stands as a good example to others attempting the same. AWPI was approved to carry over until May 2004. AWPII was approved June 2004 (6 months in process) which delayed some tenders but did not affect activities which went to plan within a 10% margin. As this is a fully participative project, delays in activities are largely a result of participants not being ready for the next step, eg. training. It should be noted that a six month processing time for AWPIII will cause delays to a significant degree. The new Indonesian codirector has been appointed; fully supports the project approach but is again limited in the time he can give to management due to other responsibilities. The PCC (Project Consultative Committee) appointed by Governor is about to change again. It is questionable whether it will eventually provide added value to the project. Achievement of

targeted results is well on track. 1088 village fire fighter/emergency rescue workers trained and equipped in 91 villages of 9 districts (broader area than the three priority districts of the project). Three Multistakeholder Forums (MSF) are fully established, attended, with functioning working groups and all with extended, detailed plans for the coming year. Sustainable Natural Resources Management Consortium of South Sumatra has just been formed under the project umbrella, with 16 NGO members that are active in the project districts. Numerous surveys and reports have been done and made public. A wide range of sources (mostly free and on the web) for use in tracking the physical conditions and fires themselves have been identified and published in booklet form. Numerous training and awareness campaign materials have been produced and used/distributed. Training of trainers has begun in all areas. Numerous activities in support of the sustainable land use and community development are proceeding.

3. Effectiveness to date.

Effectiveness to date is good. This project reaches and mobilises an exceptional number of stakeholders with new persons being added continuously due to government changes. The MSFs and working groups are fully functional and continue to be built up to a more efficient and independent method of working but there is significant work yet to be done concerning thinking strategically to maximize the resources of government agencies. The gap of responsibilities between district and provincial levels, as defined by decentralisation continues. In the coming year the work concerning developing the fire management strategy that links all the agencies through the National Disaster Agency, will be key to reducing that gap where it concerns fire management. The priority villages are active in planning and experimenting with economic alternatives that will reduce the regular use of fire in production, support better fire management and therefore reduce risk to their assets. Assisted by NGOs, private enterprise and local authorities, the demonstrated commitment is very significant. Both project management and local authorities are feeling the limitations of only reaching these few priority villages and districts against the extensive need in the province as a whole. Those interviewed emphasised the need to firmly root this approach to fire management in as many villages as possible during the life of the project in order to increase its potential for replication post project.

4. Impact to date.

There is observable impact in the increased linkages between the various stakeholders and increased cooperation at village and district level, however, at provincial and national level it is too early to discern impact. The incoming central government presents both a risk and hope. Potential impact remains good due to the strength of the intervention logic, project design and stakeholder response to date. Risks remain that the changing governments will jeopardise attaining the full network of linkages from village up to at least provincial level. The National Disaster Agency, provincial level, is not yet fully on board and not all levels of the forestry ministry fully support any entity other than themselves being responsible for fire fighting coordination. AWP 2005 addresses these issues and will be a substantial challenge. Another limitation for impact is the project duration and the number of areas the project can work in. The full system must be proven and tested before replication. After testing, the wider the area/stakeholder group(s) nurtured under the project, the greater the impact and sustainability attained.

5. Potential sustainability.

Sustainability is good but again hinges on the ability of the full network to work on its own and again in turn hinges on the widest number of districts and villages learning to use the methodology introduced by the project. The wider this group the greater potential that it will be used and replicated province wide. Risks to this include the project duration and limited allocated resources of district level government agencies for fire management. Additionally, enforcement of existing regulations/laws remains weak. Support from the new central government will be lobbied actively to address allocated fire management budgets and adoption of the system.

V. KEY OBSERVATIONS, ACTION(S) RECOMMENDED AND BY WHOM (IN ORDER OF PRIORITY)

To EC DEL and AIDCO HQ:

Priority 3: **1)** Approvals concerning budget discrepancies of FA and TA contracts are still outstanding. These are needed ASAP. **2)** Processing time for standard AWP approval is a real threat to project performance. Although delays to activities were minimised this year, a six month delay next year will be a serious risk to achieving targets. **3)** At project midpoint consideration of options to employ the outstanding budget is strongly advised.

To Project Management:

Priority 3: **1)** When preparing the TOR for the mid term review, consideration should be given to a preliminary assessment of the validity, form and purpose of a no cost extension, particularly as it concerns strengthening and ensuring replicability in the province and supporting replicability on a national level.