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**TFCA Kalimantan Annual Report
2013**

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Prepared by:

TFCA KALIMANTAN Administrator



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List of Abbreviations

APDS	Asosiasi Periau Danau Sentarum / Sentarum Lake Forest Honey Harvester Association
AWP	Annual Work Plan
Bappeda	Badan Perencanaan Pembangunan Daerah /Regional Development Planning Agency
BFCP	Berau Forest Carbon Program
CBFM	Community Based Forest Management
CFCN	Call for Concept Note
CSO	Civil Society Organization
FCA	Forest Conservation Agreement
FORCLIME	Forest and Climate Change Programme
GMPP	Grant Making Policy and Procedures
GoI	Government of Indonesia
HoB	Heart of Borneo
IP	Implementation Plan
KPH	Kesatuan Pengelolaan Hutan/Forest Management Unit (FMU)
KEHATI	Indonesian Biodiversity Foundation
MoM	Minutes of Meeting
NPWP	Nomor Pokok Wajib Pajak / Tax Payer Identification Number
NGO	Non-Governmental Organization
OC	Oversight Committee
OCTM	Oversight Committee Technical Member
PMP	Performance Monitoring Plan
RPJMD	Regional Mid Term Development Plan
SES	Social and Environmental Safeguards
SGF	Small Grant Facilities
SOP	Standard Operating Procedure
TAP	Technical Assistance Provider
TFCA	Tropical Forest Conservation Act
TNC	The Nature Conservancy
TOR	Terms of Reference
USA	United States of America
USAID	United States Agency of International Development
WWF	World Wide Fund for Nature

Executive Summary

TFCA Kalimantan is a partnership between the Government of Indonesia (GoI) and the Government of United States of America (USA) through debt swap for forest conservation program, with The Nature Conservancy (TNC) and World Wide Fund for Nature (WWF) foundation as the Swap Partners. KEHATI foundation has been appointed as the Administrator for TFCA Kalimantan management.

There are changes in TFCA Kalimantan Oversight Committee member in 2013. Benjamin V. Wohlaer has been designated as alternate OC representing the Government of United State, while Nyoman Iswarayoga replaced Budi Wardhana as OCTM member from WWF starting from February 2013, and Herlina Hartanto replaced Wahjudi Wardoyo as permanent OC member from TNC. There are also changes in the Administrator, the position of Grant Manager/Assistant to Program Director, Secretary, and Communication and Outreach Officer has been replaced due to resignation.

During the first semester of 2013, TFCA Kalimantan had finalized the foundational documents including 2013-2017 Implementation Plan (IP), the Grant Making Policy and Procedures (GMPP), the Social and Environmental Safeguards System (SES), as well as finalized the 2013 Annual Work Plan (AWP), with the total budget for management expenses in 2013 is USD 328,469 with 72% absorption. Those documents have been approved by OC prior to Call for Concept Note in May 2013.

Main activities in 2013 related to first cycle TFCA Kalimantan grant making process, covered coordination and consultation with related stakeholders, finalization and approval of grant making guidelines documents, concept note and proposal review guideline, call for concept note, socialization, concept note review (60 concept notes were reviewed), proposal development and financial management training, proposal review (18), and institutional due diligence by Administrator towards grantees candidates (18 entities). The first cycle was expected to be finalized on mid-October 2013, however, due to the program development dynamics during the proposal review, the first cycle of TFCA Kalimantan grant making period has been adjusted, and expected to be finalized by the end of February 2014. For 2014, it is expected that 2 cycles of TFCA Kalimantan grant making will be implemented, following the phases as cycle 1.

In 2013, there was a development in East Kalimantan administrative area. Based on Law No. 2 year 2013, Mahakam Ulu District which is formerly part of Kutai Barat district has been established. Therefore, during the 12th OC meeting, TFCA Kalimantan has adopted Mahakam Ulu District (HoB) as one of the target district. In relation to this development, one of the main focuses of consultation and coordination in 2014 is the local government of Mahakam Ulu, to synergize the district development and conservation related planning, with TFCA Kalimantan objectives.

TFCA KALIMANTAN

Debt Agreement signed:	September 29, 2011
Forest Agreement signed:	September 29, 2011
Type of Agreement:	subsidized debt swap
US budgetary costs:	\$ 19,800 million
Swap Fee share:	\$ 3,960 million
Conservation funds generated:	\$ 28,495,384.65 million (up to 2019)

A. Introduction

TFCA Kalimantan is a partnership between the Government of Indonesia (GoI) and the Government of United States of America (USA) through debt swap for forest conservation program, with The Nature Conservancy (TNC) and World Wide Fund for Nature (WWF) foundation as the Swap Partners. KEHATI foundation has been appointed as the Administrator for TFCA Kalimantan management.

This report is prepared by Administrator (KEHATI), and presents comprehensive information about the program activities completed and its financial situation during 2013. Main activities in 2013 related to first cycle TFCA Kalimantan grant making process, covered coordination and consultation with related stakeholders, finalization and OC approval on grant making key documents (SES, GMPP, AWP 2013), concept note and proposal review guideline, call for concept note of TFCA Kalimantan grant making cycle 1 in May 2013, socialization, concept note review (60 concept notes were reviewed), proposal development and financial management training, proposal review (18), and institutional due diligence by Administrator towards grantees candidates (18 entities). The first cycle was expected to be finalized on mid-October 2013, however, due to the program development dynamics during the proposal review, the first cycle of TFCA Kalimantan grant making period had been adjusted, and expected to be finalized by the end of February 2014.

In 2013, there is a development in East Kalimantan administrative area. Based on Law No. 2 year 2013, Mahakam Ulu district, which formerly part of Kutai Barat district, has been established. Therefore, during the 12th OC meeting, TFCA Kalimantan has adopted Mahakam Ulu District (HoB) as one of the target district.

B. TFCA Kalimantan Internal Development

B.1. Institutional Arrangement

There are changes in TFCA Kalimantan Oversight Committee member in 2013. Benjamin V. Wohlaer (Counselor Chief of Environment, Science and Technology, Health) has been

designated as alternate OC representing the Government of United State, while Nyoman Iswarayoga (Climate and Energy Director) replaced Budi Wardhana (Deputy Director for Economic Instruments for Conservation) as OCTM member from WWF starting from February 2013, and Budi Wardhana will be further serve as alternate OC member.

Based on designation letter from TNC dated December 02, 2013, number 022/CD/TNC/XII/2013, Herlina Hartanto (Terrestrial Program Director) replaced Wahjudi Wardoyo (Senior Advisor for Conservation Policy) as permanent OC member from TNC, while Wahjudi Wardoyo who has previously served as permanent OC member for 2 years, is designated as alternate OC member.

Table 1. Oversight Committee of TFCA Kalimantan in 2013

Nb	Name/Institution	Title
1	Bambang Suprianto (GoI) Trio Santoso (GoI)	Permanent Member/Chairperson Alternate Member
2	John F. Hansen (USAID) Benjamin V Wholauer (USAID)	Permanent Member Alternate Member
3	Nazir Foead (WWF) Budi Wardhana (WWF)	Permanent Member Alternate Member
4	Herlina Hartanto (TNC) Wahjudi Wardoyo (TNC)	Permanent Member Alternate Member
5	Agus Sari (PELANGI)	Designated Member

B.2 Coordination

During 2013, 5 Oversight Committee meetings were convened in order to expedite the implementation of TFCA Kalimantan, resulted the start up of TFCA Kalimantan cycle 1 grant making process. Due to program development dynamics in the field and TFCA Kalimantan internal management, it is expected that the cycle will be finalized by the end of February 2014. Besides the OC meeting, Administrator and OCTM have held several intensive meetings and emails communication, to expedite the process of cycle 1. By the end of 2013, Administrator has started the preparation for the next cycle of TFCA Kalimantan grant making process, finalized the Terms of Reference (TOR) for Technical Assistance Provider (TAP), as well as revising the previous GMPP to accommodate lessons learned from the first cycle.

The key points of the OC meetings are as following:

8th OC Meeting, January 16, 2013

- In the extreme case of IP development by consultant, OC shall decide to accept the work of the consultant which has been in accordance with the TOR approved in the contract and finalize the payment, furthermore IP could be internally improved by the OC/OCTM relevant to the need.
- The development of work plan 2013 will be excluded from the contract of IP consultant, the draft of frame work and outline has been devised during the OCTM meeting, and however there is no common understanding and clear direction on the content.
- WWF is developing a 5 pages synthesis of SES document, this serves as a concise guidance for grantees. Additionally, WWF will also create a matrix used for TFCA Kalimantan program; this matrix can be included in the TFCA website as systematic information of SES.
- Supplementary budget for the SES consultant as of Rp 62.850.000,00 would be approved as a result of additional work for translation, editing and overall refinement, thus administrator will amend the contract.

9th OC Meeting, February 1, 2013

- The OC agreed to adopt the term of “Natural Forest” instead of “Primary Forest” in all TFCA Kalimantan documents.
- USAID will request clarification of the meaning/interpretation of (FCA 5.2.9.a) to US Department of Treasury in Washington DC.
- Administrator would send renewal of AWP based on the input from this meeting on the February 8, 2013. The Indonesian version was agreed for approval and will be translated into English.
- WWF would send a package of synthesis by Friday, February 8, 2013 and final comments should be sent by latest on February 15, 2013. It means that finalization of SES was presumably by the end March 2013 (4 weeks after the consultant received the final version).
- The OC agreed that Foreign NGOs who are actively working in Indonesia can apply for TFCA2 fund with following conditions (i) preference goes to foreign NGOs working with Indonesian CSOs who is/was actively working in the landscape, (ii) there should be transfer of capacity to local institutions and (iii) they cannot work as Technical Assistance Provider (TAP).
- Regarding the eligibility of public university in applying the TFCA Kalimantan fund, it would be written down in the Grant Making Policy and Procedure (GMPP) exactly the same as in the FCA.

- The OC agreed that proponent can propose a proposal maximum 150% of its previous project value. A proposal in excess of 150% of previous project value will need significant justification.
- Administrator would send management expenses proposal including new budget for translation service as soon as practicable to OC, including the revised budget proposals from GOI and TNC. The OC would review within 5 working days for approval or comments. Should there was no comment from respective OC, the management expenses proposal from Administrator is agreed.

10th OC Meeting, May 3, 2013

- OC agreed that the opportunity is also opened for international NGOs, but the main priority is to local and national organization. The GMPP need to be revised as follows:
 - *However, the preference in grant awarding of TFCA Kalimantan will be provided to the local and national organization.*
 - *Additional requirement for international NGO including; i) part of the proposal should include activities related to transfer knowledge and capacity building adequate with local CSO's needs, ii) the organization is not eligible to apply for Technical Assistance Provider (TAP), and iii) preferences is given to international NGO's partnering with eligible entity to receive TFCA grant working or having experiences in the proposed area*
- OC members agreed if the concept note is approved, the potential grantees need to demonstrate support from key stakeholder in the submitted proposal. The support could be:
 - *The potential grantees should organize consultation with relevant stakeholders, and minutes of meeting of the consultation should be signed by the main stakeholders. This is important for sustainability and to determine who will be responsible when conflict occurs; or*
 - *The potential grantees should attach the recommendation letter from the main stakeholders to the proposal. Within 30 days since the submission of the recommendation application (the application letter should be copied to the OC of TFCA Kalimantan), if there is no response from the main stakeholders, it means approved by default.*
- During the proposal assessment, if considered being necessary by the OC, administrator could organize a meeting and invite relevant stakeholders to give input related to the assessed proposal, in order to be aligned with local condition
- OC member agreed on the CFCN guideline draft as well to the time for consultation.
- SES assessment result will be determining the approval or rejection of overall proposal

- Regarding to the TAP function, OC decided that the review will be conducted after the 1st cycle.
- OCTM will review and revise the TOR for TAP after the 1st cycle.
- Admin should set up the template in accordance with the Monitoring and Evaluation system in the 2013 Annual Work Plan, consult with OCTM for the finalization process and approval from OC.
- Dashboard to monitor the development of TFCA Kalimantan which has been proposed by TNC, will be finalized by the Administrator and will be uploaded into the internal website, in order to be able for all TFCA Kalimantan team to monitor and evaluate the progress
- Admin will send MoM to be signed by OC and financial report regularly.
- Pak Sembiring explained that instead of finishing TFCA Kalimantan Audit in April 2013, intentionally the audit will be delayed until June 2013, because the overall institutional audit of KEHATI was conducted starting the end of April to June. Separation of TFCA Kalimantan audit and KEHATI overall institutional audit will cause a large amount of budget.
- OCTM: Due to further development of TFCA Kalimantan, it was also discussed the possibilities for additional OCTM members. OC assigned additional OC Technical members; from USAID is Ashley Netherton and from GoI is Anton Eko Satrio. Thus the composition of OCTM member as follows: from GOI:Trio Santoso,Sondang Situmorang, Anton Eko Satrio; USAID: Antonius Djogo, Ashley Netherton; TNC: Intan Ritonga, Lex Hovani; and WWF:Nyoman Iswarayoga, Cristina Eghenter

11th OC Meeting, July 29, 2013

The meeting decided that:

- WWF has to confirm the land area status in the corridor, and identify proposing organizations with similar activities in their proposal to be joined in a consortium Yayasan Penabulu to be engaged to handle capacity building activities to the potential grantees and they will not be treated as pre-preliminary TAP. The proposed budget will be taken equally from HOB and BFCP program (40-40).
- Administrator to send the recommendations of the concept notes to OC for final review; before submitting the notification to the potential grantees.
- To put the budget limitation of 150% as the **maximum Indicative Budget** and inform the budget in the response letter to the potential grantees.
- The indicative budget is subject to negotiation during the finalization of proposal.
- After evaluation of the project performance, the budget could be amended.
- To correct the balance of funding between the programs, the OC will track total allocations over time and take necessary actions to ensure that the total window of

funding for the 2 programs (and the funding for programs outside of the target districts) matches with the overall 40/40/20 allocation.

- Some strategies for increasing the funding to Berau include: a) outlining specific project concepts that fit well with the needs of the BFCP program and soliciting concept notes on certain thematic issues to support these projects, b) working with organizations that wrote promising concept notes in round 1 and helping them to improve the concept notes for round 2, and c) looking for opportunities for organizations working in HOB to expand their programs into Berau.

12th OC Meeting, November 27, 2013

- Ten conditional passed proposals should be soon informed by admin and improve their proposals within one month. OCTM will review the revised proposals and recommend the result for OC decision (nothing the revised proposal could still be rejected)
- Agreed to use “*re-invite proposals*” for those that rejected. Admin and OCTM should soon develop the small grant mechanism and sent to OC members. Decision will be made through email, but if necessary OC meeting could be held to discuss and decide the criteria, indicators and the mechanism.
- Reviewing the re-invited proposals after small grant mechanism is approved
- Invite the proposal submission for second cycle from organizations that are failed in the first cycle or other organizations.

B.3 Staffing

Due to the resignation of the secretary, and the no-extension-requisition by the Grant Manager in April 2013, Administrator has undertaken recruitment process for both positions. In early July, the new Secretary has begun her employment and the new Grant Manager/Assistant to Program Director started her employment in August 1, 2013. While the Communication and Outreach Officer has resigned in August 2013 and replaced by the new recruited staff for the position in September 2013.

C. Planning Development

During the first semester of 2013, the TFCA Kalimantan had finalized the foundational documents including 2013-2017 Implementation Plan (IP), the Grant Making Policy and Procedures (GMPP), the Social and Environmental Safeguards System (SES), as well as developed the 2013 Annual Work Plan (AWP).

C1. Implementation Plan (IP)

During the first semester of 2013, TFCA Kalimantan had finalized the foundational documents including 2013-2017 Implementation Plan (IP), the Grant Making Policy and Procedures (GMPP), the Social and Environmental Safeguards System (SES), as well as finalized the 2013 Annual Work Plan (AWP).

In the early semester of this year, IP document had been intensively reviewed and developed by OCTM member led by TNC, and finalized after the 9th OC meeting on 01 February 2013. The document was approved by TFCA Kalimantan parties on April 2013, by sending approval letter through email to Administrator. This was documented and distributed among TFCA Kalimantan team. After Administrator equipped the document with maps and other necessary materials for publishing, the IP was uploaded in TFCA Kalimantan and made it available for public since May 8, 2013.

C.2. Annual Work Plan (AWP)

The Indonesian language version of Annual Work Plan (AWP) 2013 was approved by the OC in the 8thOC meeting on January 16, 2013, finalized with improvement in editorial matters led by USAID. OC signed the clearance page of this document on the 11th OC meeting held on July 29, 2013. The total budget for management expenses in 2013 is USD 328,469.

C.3 Social and Environmental Safeguards (SES)

In the early semester of 2013, Indonesian language version of Social and Environmental Safeguards (SES) TFCA Kalimantan was synthesized and developed in English by OCTM, led by WWF. The synthesis had been finalized and translated into Bahasa Indonesia, and available in TFCA Kalimantan website starting May 8, 2013. By the end of 2013, the consultant submitted the English version of full SES document.

C.4. Standard Operational Procedures (SOP)

The following documents of Standard Operational Procedures (SOP) to support the implementation TFCA Kalimantan has been developed by Administrator.

1) Performance Monitoring Plan (PMP)

The Performance Monitoring Plan (PMP) SOP is prepared for Administrator and grantees. Both documents are still in drafting process.

2) Accounting and Financial Guideline

Administrator has developed a guide for recording financial transaction for administrator and grantees in order to ensure appropriate financial liquidity and fund management monitoring, including management of finance operational, grant controlling, financial report and audit.

3) Human Resources Management, Goods and Services Procurement, and Fixed Asset Inventory

The standard and procedure for human resources management, goods and services procurement, and fixed assets inventory has been developed. The documents in the first semester of 2013 are still in 1st draft.

4) Maximum Standard Cost

Maximum standards cost for TFCA Kalimantan Program Activities had been developed. . This guideline consists of the provision of maximum standard cost for appointment/meeting, in-country/abroad travelling, seminar, workshop, and communication and publications, and the procedure of travel requesting and reporting.

D. Call for Concept Note

Following the Call for Concept Notes announcement, from May 8 to June 8, 2013, administrator has received Concept Notes for further review to analyze if the Concept Notes conform to the requirement. The Review process included:

D.1. Grant Making Policy and Procedure

The Grant Making Policy and Procedure (GMPP) document was approved with subject to minor adjustment in the 10th OC meeting, on May 03, 2013. The document contains form for concept note and form for proposal. It also becomes the reference for the concept note and proposal review guideline that has been developed and used for concept note and proposal review of the first TFCA Kalimantan grant making cycle. The document was uploaded in TFCA Kalimantan website before the call for concept note announcement.

D2. Call for Concept Note Announcement

On May 8, 2013, the announcement of concept paper submission called Call For Concept Note (CFCN) was published in several media; newspaper, TFCA Kalimantan website, public portal/blog, mailing list and also social media. The CFCN was published in National newspaper (Kompas), regional newspaper (Kaltim Post and Pontianak Post) and local newspaper (Berau Post), which readership is more than 1,137,000 readers (as well as potential grantees) in Indonesia.

It has been regularly informed through 15 Mailing list of communities in environment, forestry, or conservation (such as Climate Society, Orang Utan Action Plan, etc.) and social media; Facebook and Twitter. The information was also disseminated through TNC and WWF-Indonesia networks at the site level.

D.2 Compilation and Registration of Concept Notes

The concept notes that received from May 8 to June 8, 2013 were compiled through 2 (two) emails: tfca.kalimantan@kehati.or.id and tfca.kalimantan@gmail.com. Each concept notes was registered based on the received date and time sequence.

During the registration time, there was additional information required from the proponents such as NPWP (Tax Payer Identification Number); bank account number; organization legality

document; and also the revision of the Concept Notes or the cover letter. This condition has caused the extension of registration time until June 19, 2013.

By June 8, 2013, Administrator has received 54 Concept Notes from local and national entities. However, on June 9, 2013, Administrator has received additional 4 Concept Notes. Administrator decided to review these Concept Notes considering that the delay was caused by the internet connection failure and only few hours gap from the deadline date. The 4 Concept Notes have passed the review process. On June 19, 2013 Administrator has reviewed another 2 Concept Notes that were misdirected to the wrong email address. In total, 60 Concept Notes were reviewed.

D.3 Reviewer's assignment

Executive Director of KEHATI has assigned 5 (five) staffs of TFCA Kalimantan – as administrator - to review the administrative matters of the Concept Notes received. And Each OC (permanent member) has also assigned reviewer to assess the technical aspect of the concept note.

In order to ensure the objectivity and fairness of the Concept Notes' review process, each of these reviewers signed No Conflict of Interest statement and will review the Concept Notes objectively.

D.4 Administrative Review Analysis

Using the agreed Review Form that contains the information on Organization Identity; the brief information of the Concept Notes; and the proposed activities (shall not applied to the prohibited purposes), Administrator reviewed the eligibility of the organization according to the requirements mentioned in the Call for Concept Notes and Grant Making Policy Procedure. Administrator checked the completeness and the compliances of the data information by codifying with Y (Yes) N (No), N/A (Not Available).

Information on the 60 Review-Forms were translated into the Matrix of Concept Notes Administrative Assessment Result (Hasil Penilaian Administrasi Konsep Proyek) that was divided into two categories, i.e: A. Eligible Organization (for further Technical Review), and B. Non-Eligible Organization (to be rejected). The Matrix contains the information on Name of Proponent, Registration Number, Proposed Title, Organization Data, Brief Information of the Concept Notes, Program Linkage to BFCP & HOB or Mix; and program budget. The last three information were codified by Y (Yes, the information is complete); N (No, the information is not complete); I (information is incomplete).

D.5 Administrative Assessment Result

Based on the analysis, 45 Concept Notes were considered as eligible entities that fulfill the required information. 15 Concept Notes were considered as non-eligible entities due to no

organization legality information or the document was not valid, the organization was considered as Non-eligible (government organization) and private enterprises, organization experiences has not fulfilled the requirement, and proposed activities are outside the target areas of TFCA Kalimantan first cycle. Result of the assessment matrix contained table of 45 lists of eligible entities and 15 lists of non-eligible entities (to be rejected) has been emailed to OCTM on June 14, 2013 for further technical review.

Prior to technical review by the assigned reviewer, Administrator has provided technical review guideline developed by both OCTM and Administrator, to be used in reviewing technical aspect or concept notes.

D. 6 Technical Review Analysis

The 45 Concept Notes were reviewed for its technical aspect by OCTM until the end of July 2013. The review results was discussed in OCTM meeting on 26 July 2013, and it has been agreed that 21 Concept Notes from 18 entities was approved to be submitted to OC for official approval in OC meeting on 29 July 2013.

21 Concept Notes from 19 entities were approved by OC to be accepted into the next phase of TFCA Kalimantan grant making process.

D.7 Proposal Development and Financial Management Training

Preceding the process of TFCA Kalimantan grantees selection, Administrator held Proposal Development and Project Management training. Participants of the training were representatives from entities whose concept notes that had been approved by OC. The training was held twice, in Samarinda and Pontianak on September 13-26, 2013.

The distribution of the participants was based on the proposed project location. Entities with the proposed project location in Berau and/or Kutai Barat, were trained in Samarinda from 13 to 16 September 2013. While those, which proposed project location in Kapuas Hulu, were trained in Pontianak from 23 to 26 September 2013.

D.8. Proposal Review Process

D.8.1 Proposal Acceptance

16 proposals were accepted by Administrator until October 12, 2013, and another 2 proposals were accepted on October 14, 2013. It was decided to accept the late submission, because the received proposals are still in the filing process. However, there was 1 entity requested for more than 1 week additional time to compose their proposal after the determined deadline, this requisition was rejected, and they were recommended to participate in the next cycle of TFCA Kalimantan grant disbursement process.

There were 18 proposal received by Administrator in total. These proposals were organized and forwarded to reviewer team for technical aspect assessment.

D.8.2. Proposal Review

The parties of TFCA Kalimantan agreement had appointed representatives as proposal reviewer, and each parties having one voice of review for every proposal. The proposal review are based on the agreed 'proposal review guidelines', arranging the technical aspects of proposal that has to be reviewed, score of each technical groups, criteria used to review each group, and final result presentation to be submitted to OC for approval.

D.8.2.1 Technical Review Category and Scoring

The technical aspects categories reviewed by reviewer team are covering a) Result Based Approach, b) Stakeholders and Sustainability, c) Risk Management, d) Contribution beyond Project, and e) Budget Rationale: reviews are based on entities answers of TFCA Kalimantan proposal form number 30, which question about.

The proposal evaluation guideline used 1 to 5 scoring scale (1 = unsatisfactory; 5= extra ordinary) in scoring of each proposal technical aspect criteria. The minimum score for each criterion and overall minimum score were determined to ensure the feasibility and the quality of the proposed project. The minimum score for each category is presented in the following table, and the overall minimum score is 50. The score for each criterion will be multiplied with a different multiplier to emphasize the different importance degree of each criterion. The maximum score that can be received by each proposal is 100, with details as the following:

Tabel 2. Technical Scoring Category

No	Category	Maximum Score	Minimum Score
1	Result Based Approach	40	20
2	Stakeholders and Sustainability	20	10
3	Risk Management	15	7
4	Contribution Beyond Project	15	7
5	Budget Rationale	10	6
	TOTAL	100	50

D.8.4 Proposal Review and Scoring

Based on OCTM meeting on October 8, 2013, it had been agreed that the reviewer team will be evaluating the received proposal until the second week of November 2013, and send it to

Administrator to be compiled in the third week of November, 2013. The proposal will be reviewed in the next OCTM meeting (November 19 – 21, 2013). GoI and WWF gave project budget score of the proposal in the meeting to complete the proposal review result, in order to discuss the whole proposals to determine the recommendation for OC approval.

D.8.5 Proposal Review Results and Recommendation

OCTM meeting in November 19-21, 2013 discussed the compiled proposal review results from each reviewer team. As seen from the compilation, none of the entities fully accepted by all the reviewer team members. Therefore, each of the proposal was discussed in terms of the due diligence result, project budgeting, and technical review results.

The discussion resulted two categories of recommendation in terms of proposal acceptance, there are as the following:

1. Conditional Passed: recommended to be approved by OC, with major adjustment and revision on the proposal
2. Rejected: recommended to be disapproved by OC

Based on the categories, 10 proposals categorized as conditional passed, and 8 rejected proposals were recommended to be disapproved by the OC (Appendix 1).

Based on the 12th OC meeting in November 27, 2013, 10 entities with the conditional passed categories were recommended to improve their proposal based on technical review from OCTM as the reviewer team, and resubmit the revised proposal the latest on January 02, 2014, to be further reviewed by OCTM for final recommendation. During the proposal improvement period by the entities, Administrator organized meetings with each of them to discuss and clarify OCTM recommendation for their proposal improvement.

To accommodate the 8 entities with rejected proposals, OC recommended developing a Small Grant Facilities (SGF) mechanism. The entities are requested to focus only to one activity based on their experience, with maximum IDR 500,000,000 fund per-annum, and 6-36 months maximum period. By the end of 2013, the mechanism is still being discussed. Therefore, this category of proposal has been classified as “re-invite”, based on the 12th OC meeting on November 27, 2013.

D.9. Due Diligence

Administrator conducted due diligence parallel to proposal review by OCTM, the result of due diligence would be part of recommendation for OC. The objective of due diligence it to ensure the feasibility of entity from the aspect of legal, administration, and finance based on standards determined by Administrator. In terms of financial issues, Administrator required detailed financial report, including audit report.

Due diligence was conducted on October 20, 2013 to November 01, 2013. For time efficiency, one team of administrator was sent to Samarinda, Berau and Bogor, while another was sent to Pontianak, Kapuas Hulu, Bogor, and Jakarta.

The result of due diligence is presented in score from 1 to 5, where 5 is the highest score in describing the state of entities legal, administration, and finance. The overall result is combined with proposal final review and recommendation. However, general findings from the entities due diligences are as the following:

1. Human resources capacity building is still lack in most of the entities
2. Minimum compliance towards entity's Standard Operational Procedures (SOP)
3. Minimum experience of program and financial management
4. Lack of internal control in terms of finance, and assets safeguard

In general, most of the entities are scored as medium capacity, while the rest are scored as high and low. It reflects, there are gaps of capacity in these 18 entities.

The overall results of Proposal Review and Due Diligence are presented in Appendix 2.

E. Communication & Outreach

Within 2013, the official website has been developed with some additional features; online application system, calendar activity, advertising box, partner's logo & links. This development process is to support the announcement & the Concept Notes receiving process. The on-line application system could simplify the filling process (fill in the application of the concept note and upload supporting documents could be done directly on website).

According to Annual Work Plan 2013, in process of developing data base management system, all documents related with implementation of TFCA Kalimantan (policies, references, technical guidance, etc) has been compiled by the administrator. All documents always updated and maintained in internal server KEHATI regularly. All internal team of TFCA Kalimantan can access through network sharing. For OC and/or OCTM, the documents has been shared via public website of database service provider (Dropbox) as temporary hosting database and email account of TFCA Kalimantan and TFCA Kalimantan official website such as maps, policy document, etc.

Administrator has been developing communication strategy in order to achieve the Goals of TFCA Kalimantan. It consist various activities that part of Annual Work Plan and also derived from Implementation Plan internally and externally to spread the networks, inform relevant stakeholders, increasing the visibility and promote the program. Until June 2013, the draft of communication strategy has been reviewed by all related staff of Yayasan KEHATI. The

document should be in line with KEHATI Strategic Plan 2013 – 2017. The document finalization is being conducted along with the discussion of KEHATI Data Base System Management development and its sustainability.

All TFCA Kalimantan activities are updated on Twitter & Facebook regularly. Now TFCA Kalimantan has **684** friends on Facebook and **42** followers on Twitter, mostly the persons/institutions applying for TFCA Kalimantan Grant cycle 1.

In December, administrator produced several visibility items such as 2014 calendar, water bottle and tote bag that planned to be distributed on Grant Launching Event in 2014.

F. Coordination, Socialization and Consultation

Several activities conducted by TFCA Kalimantan team during the first semester of 2013 to enhance coordination, socialization, and consultation which has been initiated since 2012, are covering the following activities:

F.1 Pontianak and Kapuas Hulu Field Visit

The Socialization of Tropical Forest Conservation Act (TFCA) Kalimantan program in Kapuas Hulu District was held on January 14-20, 2013. This visit gave reference to the development of Implementation Plan and Work Plan 2013-2017, in order to synergize the local program concerning forest conservation or related to biodiversity sustainable management with TFCA Kalimantan program objectives. And the most important thing was, to define specific program to be implemented in TFCA program.

The provincial government represented by Head of Regional Development Planning Agency (Bappeda) welcomed TFCA team courtesy visit to Bappeda office and was very receptive to support implementation of TFCA Kalimantan program. He expected TFCA / forest conservation program will give opportunity to forest dependent community, in particular to take part in forest management and gain benefit from it.

From the Provincial Bappeda, TFCA team continued to visit Kapuas Hulu district and was received by Vice Head of District, who conveyed his great appreciation towards TFCA program in Kapuas Hulu District. He mentioned that Kapuas Hulu has declared as conservation and free from carbon emission district since 2006 and will fully support the program. One of the important issues is the capacity of local NGOs and community groups. There is an urgent need to support them particularly in proposal development and knowledge in administration. Some International NGOs have been working in the region and gave support in strengthening capacity of local people and respective government; this was helpful and the communities gained advantage from the assistance.

NGOs/CSOs working in Kapuas Hulu district are mostly provincial base (their office is in Pontianak, not in the districts). From 37 institutions invited to attend the socialization in Pontianak, there was only 1 NGO located in Kapuas Hulu, Desa Mataso. During the socialization, some NGOs/CSOs had expected the visit would provide specific details on TFCA Kalimantan implementation, in order to prepare the concept notes comply with the program requirements.

Beside the socialization, the team visited 3 villages to identify further on the community group activities. The results are as follows:

- 1) Dusun Semangit. TFCA team discussed with Asosiasi Periau Danau Sentarum (APDS), related to the honey farming and harvesting development. These are activities that can be supported by TFCA Kalimantan, as the example of harmonizing conservation purposes and economic benefit;
- 2) Desa Sungai Sudik and Sungai Lung. A number of communities owned small holder of rubber plantation. WWF has been supporting the communities within the areas by building learning center, tree crops nursery, delivering training on natural fertilizer, and advocating on establishment of forest village and community village.
- 3) Desa Ukit Ukit. After receiving loan from WWF as a start-up capital, women of the village initiated activities for women, such as handicraft and accessories production and pre-school education. They use seeds from jungle plants as beads for the accessories. Pre-school education was established in 2011. In the village, “Belekam” is another active community. They cultivate organic rice and also committed to reject oil palm plantation company, due to their concern on river contamination which flows between Betung Kerihun and Danau Sentarum.

F.2 Coordination with FORCLIME and KPH Berau Barat

In April 2013, TFCA Kalimantan attended FORCLIME implementation plan consultation in Berau, and KPH Berau Barat management plan workshop. The programs contained in both plans are expected to be synergized with TFCA Kalimantan program.

F.3 Administrator Consultation Trip to Pontianak, Berau and Samarinda

Following the announcement of CFCN in various media on May 8, 2013, Administrator and OCTM conducted field consultations in Pontianak on May 23, Berau on May 27-28, and Samarinda on May 29. There were several issues raised by the participants in the 3 locations, they are:

1. Issue :
The requirement requested by TFCA Kalimantan has raised concerns from the local entities, the total grant will be awarded to national and international entities, instead of local entities.
Input/comment/note:
Disbursement of TFCA Kalimantan grant will prioritize local level entities, rather than national or international level entities. For national and international level applicants, TFCA Kalimantan required them to partner with local entities, in order to build local entity capacity.
It was advised to establish consortium between eligible entities with fulfilled requirements and eligible entities with unfulfilled requirements prior to the CFCN period.
With this scheme, it is expected that the second entities will gain benefits from the well-versed entities through capacity building, and in the end they could propose their own concept note.
2. Issue :
The possibility to have recommendation from key stakeholders in form of consultation minutes of meeting.
Input/comment/note:
The proposed activities in the approved concept notes will be consulted with stakeholders in the proposal development training, and the signed minutes of meeting by key stakeholders can be used as the recommendation (this issue has been decided in the 10th OC minutes of meeting).
3. Input/comment/note:
Consultation and concept notes submission period should be extended to provide more opportunity for the eligible entities to formulate a better concept note, and have extra time to coordinate in the field level.

In relation to proposal review, on October – November 2013, Administrator has consulted related agencies to gather detailed information of proposed sites, progress on Community Based Forest Management (CBFM), and Forest Management Unit (FMU/KPH) development, in three target district.

G. Financial Report

G.1 Management Expenses and Trust Fund

On 19th February 2013, OC TFCA Kalimantan approved the 2013 Management Expenses for **USD 328,469**, but fund transferred to management expense bank account was **USD 182,556**

(equivalent to Rp. 1,760,204,952) due to 2012 fund balance. As of December 31, 2013, the trust fund balance was **USD 11,955,337.61**.

For 2013, total receipts for management expenses from Debt Service Account was **USD 182,556** (equivalent to Rp. 1,760,204,952) and total expenditures was **USD 236,702** (equivalent to Rp. 2,225,831,755), as seen in Table 3.

Table 3. Management Budget versus Actual Report period January 1 – December 31, 2013

ID	DESCRIPTION	BUDGET 2013 (USD)	ACTUAL as of December 31, 2013 (USD)	VARIANCE as of December 31, 2013 (USD)	BURN RATE
I	PERSONNEL & CONSULTANT	126,246	124,047	2,199	97%
II	MEETINGS/ WORKSHOP	79,452	57,284	22,168	72%
III	TRAVEL	51,120	23,313	27,807	46%
IV	PUBLICATION COST	11,110	8,133	2,977	63%
V	PROFESSIONAL SERVICE	19,405	7,098	12,307	37%
VI	GENERAL ADMINISTRATION	25,495	8,819	16,674	34%
	SUBTOTAL	312,828	240,130	84,132	72%
VII	MANAGEMENT FEE	15,641	11,435	4,207	72%
	TOTAL	328,469	240,130	88,339	72%

The 2014 Management Expenses has been approved at the 13th OC meeting on January 30, 2014. The total amount of the approved Management Expenses is USD 358, 426 equal to Rp 3.688.797.767.

G.2. Financial Audit 2013

In 2013, financial audit was conducted by Registered Public Accountants Mulyamin Sensi Suryanto & Lianny (An Independent member of Moore Stephens International Limited) for TFCA Kalimantan for period from 1 January- 31 December 2013. The Report has not been finalized and planned to be completed by April 30, 2014

H. Deliverables

Based on Annual Work Plan (AWP) 2013, the following deliverable tracking list has been developed by Administrator, as seen in Table 4, with the activities time table in Table 5.

Table 4. TFCA Kalimantan Deliverable Tracking List 2013

No	Key Document/Report	Period based on agreement	Deadline	Status	Notes
1	1 st Semester Progress Report	January – June 2013	July 2013	Done	
2	2 nd Semester Progress report	July – December 2013	January 2014	Done	Integrated in Annual Report 2013
3	Annual Report	January – December 2013	February 2014	Done	
4	Congressional report 2012	January – December 2013	February 2013	Done	
5	1 st Semester Financial Report	January – June 2013	July 2013	Done	Integrated in 1 st Semester Progress Report
6	2 nd Semester Financial report	July – December 2013	January 2014	Done	Integrated in 2013 Annual Report
7	External Audit Report	15 June 2013	15 June 2013	Done	Report has been distributed to OC and Parties. Available online on TFCA Kalimantan website
8	Implementation Plan	16 July - 28 September 2012	28 March 2013	Done	Published, available online on TFCA Kalimantan website
9	Annual Work Plan 2013	July– September 2012	28 March 2013	Done	Approved in 16 January, 2013
10	Performance Monitoring Plan- PMP	September 2013		In progress/1 st Draft	
11	TFCA Kalimantan Social and Environment Safeguard (SES)	5 April 2013	5 April 2013/ 27 April 2013	Done	The full document is available online
12	TFCA Kalimantan official website		28 March 2013	Done	Online, periodically maintained and updated
13	Brochure			Done	
14	Call for Concept Note (CFCN)		22 March 2013/03 May	Done	Has been released on May 8, 2013

			2013		
15	Grant Making Policy and Procedure-GMPP		28 March 2013/03 May 2013	Done	Done and available online in TFCA Kalimantan website
16	Maximum Standard Cost		6 April 2013	Done	Done and available on TFCA Kalimantan website
17	Accounting and Finance Guideline		6 April 2013	In progress	1 st Draft In review process
18	Human Resource Management, item and Service Procurement, Fixed Asset Inventory		6 April 2013	In progress	1 st Draft In review process

	e. Information Updates/Social Media Communication	■	■	■	■	■	■	■	■	■	■	■	■	
	f. Publication (guideline, booklet, flyer, etc)					■	■							
	g. Visibility Items Production				■	■					■	■		
5	Coordination and Consultation													
	- OC Meetings	■	■			■		■				■		
	- OCTM Meetings	■		■	■		■	■	■	■	■	■	■	
	- Travels	■			■	■			■		■	■		

Appendix 1. Summary of Proposal Technical Review and Due Diligence Result

No	Nama Lembaga Pemohon & No. Registrasi	Judul	Skor Uji Tuntas	Usulan Anggaran	Hasil
BCFP					
1	Operation Wallacea Trust (OWT) 05/TFCA-2/P/S1/X/2013	Membangun Model Pengelolaan Hutan Lindung Sungai Lesan Berbasis Masyarakat	4	Rp 12,000,000,000	Conditional Passed
2	KANOPI 10/TFCA-2/P/S1/X/2013	Pengembangan Model Kelola Kawasan Hulu DAS Berbasis Masyarakat di Hulu DAS Segah pada Wilayah KPH Berau Barat	2	Rp 1,384,800,000	Re-Invite
3	Perkumpulan Menapak Indonesia 13/TFCA-2/P/S1/X/2013	Dukungan terhadap Inisiatif Masyarakat untuk Pengakuan dan Perlindungan Kawasan kelola Berbasis Lanskap Budaya dan Ekologi	3	Rp 8,036,700,000	Re-Invite
4	Yayasan PEKA 17/TFCA-2/P/S1/X/2013	Pengembangan Model Kelola Kawasan Lindung dan Wisata Alam Berbasis Masyarakat di Kecamatan Biduk-Biduk, Kabupaten Berau Kalimantan Timur	4	Rp 1,324,200,000	Conditional Passed
TOTAL				Rp 22,745,700,000	
Mix Program					
1	Yayasan Bioma 06/TFCA-2/P/S1/X/2013	Adopsi Model Konservasi dan Pengelolaan Hutan oleh Masyarakat Lokal sebagai Alternatif dalam Memulihkan dan Meningkatkan Manfaat Ekonomi dan Ekologi Sumberdaya Hutan di Kabupaten Berau dan Kutai Barat	3	Rp 5,157,530,000	Conditional Passed

		/ Mahakam Hulu			
2	KBCF- WARSI 14/TFCA-2/P/S1/X/2013	Mendukung Perlindungan Ekosistem Penting di Kawasan Heart of Borneo (HoB) untuk Pengimplementasian Pembangunan Rendah Karbon	5	Rp 7,067,971,000	Conditional Passed
TOTAL				Rp 12,225,501,000	
HoB (Kutai Barat)					
1	Perkumpulan Nurani Perempuan03/TFCA-2/P/S1/X/2013	Pengelolaan Sumber Daya Alam dan Pengembangan Ekonomi secara Berkelanjutan Melalui Peningkatan Peran Perempuan dan Masyarakat Adat di Kutai Barat	3	Rp 6,000,000,000	Re-Invite
2	CSF Unmul 04/TFCA-2/P/S1/X/2013	Pengayaan, Penyerapan dan Konservasi Karbon secara Kemitraan (P2K3) di Kalimantan	2	Rp 2,999,050,000	Conditional Passed
TOTAL				Rp 8,999,050,000	
HoB (Kapas Hulu)					
1	Yayasan PRCF Indonesia 01/TFCA-2/P/S1/X/2013	Pengembangan Hutan Desa untuk Mendukung Upaya Konservasi Keanekaragamanhayati dan Pemanfaatan HHBK secara Berkelanjutan di Kabupaten Kapuas Hulu, Provinsi Kalimantan Barat	3	Rp 1,516,025,000	Conditional Passed
2	Lanting Borneo 02/TFCA-2/P/S1/X/2013	Perlindungan Wilayah Koridor Labian-Leboyan Kabupaten Kapuas Hulu melalui Pemetaan Partisipatif Skala Luas	1	Rp 3,010,850,000	Re-Invite

3	Lembaga Gemawan 07/TFCA-2/P/S1/X/2013	Perlindungan Wilayah Perkebunan Karet Tradisional Rakyat di Kabupaten Kapuas Hulu	4	Rp	3,473,210,000	Conditional Passed
4	Yayasan Dian Tama 08/TFCA-2/P/S1/X/2013	Mendukung Pelestarian Kawasan Koridor Labian-Leboyan dan Pendapatan Masyarakat sekitar Hutan melalui Agroforestry dan Pengelolaan Hasil Hutan Bukan Kayu Berbasis Masyarakat	3	Rp	3,471,350,000	Re-Invite
5	Perkumpulan KABAN 09/TFCA-2/P/S1/X/2013	Pengelolaan Hutan Tropis Melalui Perhutanan Sosial	1	Rp	982,975,000	Re-Invite
6	Yayasan Riak Bumi 11/TFCA-2/P/S1/X/2013	Konservasi Daerah Aliran Sungai (DAS) untuk Perlindungan Hutan, Spesies Endemic dan Kesejahteraan Masyarakat Lokal di dalam dan sekitar Danau Sentarum, Kapuas Hulu, Kalimantan Barat	3	Rp	5,138,520,000	Re-Invite
7	FORINA 12/TFCA-2/P/S1/X/2013	Konservasi Orangutan Kalimantan Pongo Pygmaeus Pygmaeus Berbasis Masyarakat di Koridor Taman Nasional Betung Kerihun-Taman Nasional Danau Sentarum dan sekitarnya di Kabupaten Kapuas Hulu	3	Rp	5,933,770,000	Conditional Passed
8	FKKM-YKMI 15/TFCA-2/P/S1/X/2013	Mengembangkan Pembelajaran Para Pihak tentang Koridor, KPH Model, dan Kehutanan Masyarakat di Kapuas Hulu untuk mendukung Pengelolaan Hutan Tropis lestari di Kalimantan	2	Rp	4,058,650,000	Re-Invite
9	Aliansi Organisme Indonesia 18/TFCA-2/P/S1/X/2013	Pengembangan Madu Hutan Organisme untuk Kesejahteraan Masyarakat dan Kelestarian Hutan Tropis Kalimantan di Taman Nasional Danau Sentarum dan di Pesisir Sungai Kapuas di Kapuas Hulu	3	Rp	13,321,950,000	Conditional Passed

TOTAL				Rp 40,907,300,000	
Special Program					
1	Yayasan Penabulu 16/TFCA- 2/P/S1/X/2013	Penguatan Kapasitas Kelembagaan, Pengelolaan Program dan Pengelolaan Keuangan Mitra TFCA Kalimantan	4	Rp 4,342,150,000	Conditional Passed
TOTAL				Rp 4,342,150,000	
GRAND TOTAL				Rp 89,219,701,000	

Note on Due Diligence Score:

- 5: Highly Recommended
- 4: Recommended
- 3: Medium
- 2: Low Risk
- 1: High Risk



KEHATI – Indonesian Biodiversity Foundation
Jl. Bangka VIII No. 3B, PelaMampang, Jakarta 12720
T. (021) 718 3185, 7179 93492 – 93 F. (021) 719 6131
E. tfca.kalimantan@kehati.or.id
www.tfcakalimantan.org