

PROJECT IDEA NOTE FOR THE JCM FEASIBILITY STUDY

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Title of the proposed study	UPSCALING INVESTMENT FOR AVOIDING DEFORESTATION IN KAPUAS HULU DISTRICT, WEST KALIMANTAN AND MALINAU DISTRICT, EAST KALIMANTAN
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	<p>Address: Bank BRI II Building 7th Floor Jl. Jend. Sudirman, Kavling 44-46 Jakarta 10210 - Indonesia</p> <p>Notes on the Project and its Institution Arrangement: The ADB TA 8331-INO is the ADB semi-technical assistance project to the Ministry of Forestry (now Ministry of Environment and Forestry) in improving sustainable forest and Biodiversity Management in the HoB, Indonesia part.</p> <p>The 3-year Project was registered under the Ministry of Finance as Grant of ADB No. 74992601 and initiated in August 2014. The Executing Agency of the Project is the Directorate of Ecosystem Services and Conservation Areas, Ministry of Environment and Forestry.</p> <p>The Project covers 17 districts in the HoB areas and aims to improve the capacity of local institution and community in dealing with the sustainable forest and biodiversity management and setting the model of ecosystem services. The Project is supported by three international agencies: Climate Change Fund, Regional Cooperation and Integration Fund and Global Environmental Facility, with a total funding USD 4.47 million.</p>
<p>Japanese Partners</p>	<p>Not yet identified</p>
<p>Existing and Potential Partners and their roles to the Project</p>	<p>Existing Partners:</p> <p>USAID TFCA of Kalimantan TFCA (Tropical Forest Conservation Program) through local NGO (PRCF) has been assisting 3 of 8 village forests in the Kapuas Hulu District in developing Village Forest Planning.</p> <p>Contact person: Puspa Dewi Liman Program Director –TFCA Kalimantan Email: pdliman@gmail.com</p> <p>Address: Jl. Bangka VIII No.3B, Pela Mampang, Jakarta 12720-Indonesia</p> <p>Phone : +62 21 71793492 Fax : +62 21 7196131 Website : www.tfcakalimantan.org</p>

GiZ Indonesia Program

The Program through the FORCLIME (Forest and Climate Change Program) has assessed and calculated land cover situation and land-use change in the District of Kapuas Hulu, West Kalimantan and Malinau District, East Kalimantan.

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WWF - Muller Schwaner Project – Heart of Borneo

The Program has assisted Desa Tanjung, Kapuas Hulu District in strengthening and improving good environmental legislation and governance principle to support Muller Schwaner ecosystem areas. It would provide program for conservation of biodiversity combine with green business practice to achieve a healthy ecosystem with zero net deforestation.

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Brief summary of the proposed study

Background of the Project

The HoB initiative is a conservation and sustainable development program adopted by three neighboring countries (Brunei Darussalam, Malaysia and Indonesia), with the objective to sustainably manage the area in Borneo which cover 26.5 million ha. Approximately 16.8 million ha of HoB is located in Kalimantan side and covers 17 districts of four Provinces (North Kalimantan, East Kalimantan, Central Kalimantan and West Kalimantan)

The ADB Project selected Kapuas Hulu District (West Kalimantan) and Maliau District (East Kalimantan), both are part of HoB, as pilot areas. The selection was mainly due to the availability of relevant information provided by GiZ FORCLIME such as 20 year of deforestation rate, biomass and carbon data within the two districts.

For the purpose of efficiency and effectiveness, the Executing Agency and ADB has agreed to scale down the pilot area into the village and customary forest levels located in the two selected Districts. Hence the beneficiaries will be much visible and the output and outcome will be more measurable.

Objective of the Study

While the ADB TA 8331-INO will focus on the capacity building of relevant institutions and community and setting an ecosystem services model in a number of villages/customary area in the HoB, the additional investment is sought to target:

- Sustainably improvement of livelihood of the communities within the village/customary forests in Kapuas Hulu District and Malinau District through the scheme of avoiding deforestation.
- Improving the prosperity of the communities in the village/customary forest by investing the affordable and acceptable technology for enhancing productivity of non-timber forest products (NTFP) and multi purposes tree species (MPTS) in particular rubber trees.
- Investing environmental sound and community level processing technology and marketing of the end products.

➤	<p>Target Areas</p> <p>There are 8 villages forest located in the Kapuas Hulu District which has registered and certified by then Ministry of Forestry covering 14,575.0 ha, part of the area is under Forest Management Unit (FMU) of Kapuas Hulu.</p> <p>As for Malinau District, there are 15 acknowledged customary forest covering about 116,990.0 ha of forest area in the Malinau District, some of them under FMU of Kayan Mentarang National Park.</p> <p>The Economic Potential</p> <p>The old growth rubber plantation in the village forest in the Kapuas Hulu District has produced about 103 tons of liquid latex per year while the primary forests especially from the villages of Penepian Raya and Nanga Lauk has annually produced 78 tons of honey of the wild bees. The primary forest of Jemah Village has also produced 50 tons of tengkawang nuts for every for 3 to 4 years. The area also produces rattan and bamboo, however, no record on that particular products are available.</p> <p>On the other hand the customary forest in the Malinau District has potential production of agarwood, bamboo and rattan and various tropical fruits/nuts. Unfortunately there is no information of annual product on those products.</p> <p>The Location and Area</p> <p>The certified village forests in the Kapuas Hulu District consists of Manua Sadap (1,395.0 ha), Nanga Betung (1,995.0 ha), Nanga Jemah (4,375.0 ha), Nanga Lauk (1,430.0 ha), Penepian Raya (1,285.0 ha), Sriwangi (335 ha), Tanjung (2,520.0 ha), and Ujung Said (1,240.0 ha). This status and forest condition are :</p> <p>Protection forest: 8,162 ha Production forest: 6,413 ha Degraded area in production forest: 2,915 Degraded forest planted by rubber trees/agarwood : 2,300 ha Degraded land with unknown vegetation : 615 ha</p> <p>The acknowledged customary forests in the District of Malinau are Apauping (17,182.2 ha), Long Berini (11,111.5 ha), Long Kemuat (4,631.2 ha), Long Alango (11,488.9 ha),</p>
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	<p>Long Tebulo (3,967.01 ha), Long Uli (8,526.6 ha), Long Bena (5,473.1 ha), Long Belaka Pitau (4,975.0 ha), Long Belaka (6,656.7 ha), Long Peleran (3,098.6 ha), Long Pujungan (8,197.1 ha), Long Lame (8,649.7 ha), Long Pua (3,063.9 ha), Long Jelet (15,821.4 ha) and Long Ketaman (4,147.8 ha). The status and forest condition are :</p> <p>Conservation forest: 81,893 ha Protection forest : 11,699 ha Production forest : 23,398 ha Degraded area in production forest : 1,170 ha</p> <p>Targeted Beneficiaries Kapas Hulu District: 1,000 households Malinau District: 700 households</p>
<p>Rough estimation of GHG emission reductions (unit: tCO₂/year)</p>	<p>Using references of means of above ground biomass (AGB) issued by Ministry of Forestry in 2013, the total rough estimated carbon AGB from the area are:</p> <p>Village forests in Kapuas Hulu District: Protection forest: 8,162ha x 189.0 (AGB) = 1,542,618.0 t/ha Production forest: 3,498 ha x 156.1 (AGB) = 546,037.8 t/ha Degraded area planted with rubber trees: 2,300 ha x 136.0 (AGB) = 312,800.0 t/ha Degraded land with unknown vegetation 615 ha x 63.0 (AGB) = 38,745.0 t/ha Total ABG in the target area = 2,440,200.8 t/ha Total of CO₂e: 3.66 x 2,440,200.8 = 8,931,134.9 CO₂/year</p> <p>Customary forest in Malinau District: Conserv. forest: 81,893ha x 189.0 (AGB) = 15,477,777 t/ha Protection forest: 11,699 ha x 189.0 (AGB) = 2,211,111 t/ha Production forest: 22,228 ha x 156.1 (AGB) = 3,467,568 t/ha Degraded land with unknown vegetation: 1,170 ha x 63.0 (AGB) = 73,710 t/ha Total ABG in the target area = 21,230,166 t/ha Total of CO₂e: 3.66 x 21,230,166 = 77,702,407.56 tCO₂/year</p> <p>Total of CO₂e in the two forest area = 86,633,542.46 tCO₂e/year</p>
<p>Scale of investment</p>	<p>Requested additional grant investment: USD 4.5 million. The grant investment will be used for:</p> <ul style="list-style-type: none"> • Feasibility study: ± USD 700,000 • Japanese expertise and technology for enhancing quality and quantity of NTFP products such as rattan,

	<p>bamboo, tengkawang nuts, rubber, agarwood and its capacity building: ± USD 1,2 million</p> <ul style="list-style-type: none"> • Japanese technology for processing the NTFP products: ± USD 2 million • Marketing the NTFP products in Japan: ± USD 300,000.
The time frame of the study	12 months
Current status of ADB TA 8331-INO	Preparation stage