



# Technical Assistance Report

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Project Number: 35181  
November 2005

## Technical Assistance INO: Natural Resources Management in a Decentralized Framework

## CURRENCY EQUIVALENTS

(as of 15 October 2005)

Currency Unit	–	rupiah (Rp)
Rp1.00	=	\$0.0000989
\$1.00	=	Rp10,110

## ABBREVIATIONS

ADB	–	Asian Development Bank
BAPPENAS	–	Badan Perencanaan Pembangunan Nasional (National Development Planning Agency)
BPPT	–	Badan Pengkajian dan Penerapan Teknologi (Agency for Assessment and Application of Technology)
LG	–	local government
MOHA	–	Ministry of Home Affairs
NRM	–	Natural Resources Management

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Targeting Classification</b>	–	Targeted intervention
<b>Sectors</b>	–	Agriculture and natural resources; law, economic management and public policy
<b>Subsectors</b>	–	Agriculture sector development; environment and biodiversity; subnational government administration
<b>Themes</b>	–	Environmental sustainability; capacity development; sustainable economic growth
<b>Subthemes</b>	–	Environmental policy and legislation; natural resources conservation; institutional development

## NOTE

In this report, "\$" refers to US dollars.

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## I. INTRODUCTION

1. The passage of decentralization acts in 1999 and 2004 has radically altered the role of the central Government, provinces, and districts, and given local authorities new and additional tasks and responsibilities. The changes have implications for a variety of economic sectors. For instance, they create opportunities and increased risks for the natural resources based agriculture and fisheries sectors and confront local governments (LGs) with the challenge to sustainably manage their local natural resources.<sup>1</sup> The Government of Indonesia has requested Asian Development Bank (ADB) advisory technical assistance for the project Natural Resources Management in a Decentralized Framework to support the Government in promoting sustainable management of natural resources.<sup>2</sup> The TA activities will also provide technical support to ongoing ADB financed projects in Indonesia that deal with the management of marine and coastal resources and water resources, two priority areas in the draft Country Strategy and Program for 2006–2008.<sup>3</sup> In June 2005, the Fact-Finding Mission reached understanding with the Government on the impact and outcome, methodology and key activities, cost estimates and financing, and implementation arrangements for the TA.<sup>4</sup> The TA design and monitoring framework is in Appendix 1.

## II. ISSUES

2. Indonesia's rich natural resources have been a significant asset for economic development. However, many of the resources are at risk or under stress: inadequate management and overexploitation, coupled with population increase and economic growth, have triggered resource depletion and environmental degradation that have negative implications for medium- and long-term development. Since the use of natural resources constitutes a major source of revenue for LGs, in accordance with Laws 32/2004 and 33/2004, short-sighted approaches of overexploitation with long-lasting negative impacts on the conservation and protection of natural resources may prevail over long-term approaches of sustainable management. In this context decentralization may be an additional pillar contributing to an accelerated degradation of natural resources.

3. The decentralization acts<sup>5</sup> have created a statutory framework for the division of administrative, political, and fiscal responsibilities among different layers of government. Regulations, procedures, and guidelines for Laws 32/2004 and 33/2004 are being developed accordingly and will have to be adapted to the specific local conditions, taking account of the regional income disparities and government institutional capacities. ADB in its quest for viable and equitable approaches to the management of natural resources based agriculture, fisheries and rural development needs to take the new evolving decentralization policy framework with a strengthened role of LGs fully into account and thoroughly analyze it regarding its effects on current and future ADB project interventions.

4. ADB has actively supported the Government in the decentralization process through a number of loan and TA projects.<sup>6</sup> These project interventions have led to strengthened capacity of

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<sup>1</sup> Natural resources are land, water, marine and coastal resources that are of direct economic use for human population groups. They are materials that are essential or useful to humans, such as water, air, land, forests, fish and wildlife, topsoils, and minerals. The management of natural resources is the practice of using those resources.

<sup>2</sup> In line with the National Agreement and Action Plan on Sustainable Development (2004) and with the National Medium-Term Development Plan of 2004-2009.

<sup>3</sup> The TA is listed in ADB's CSPU for Indonesia: ADB. 2005. *Indonesia: Country Strategy and Program Update*. Manila.

<sup>4</sup> The TA first appeared in *ADB Business Opportunities* (internet edition) on 28 June 2005.

<sup>5</sup> Law 22/1999 on regional governance, revised under Law 32/2004, and Law 25/1999 on financial compensation of interests between regions and the central Government, revised under Law 33/2004.

<sup>6</sup> ADB. 2000. *Technical Assistance to the Republic of Indonesia for Capacity-Building for Decentralized Natural Resources Management*. Manila (TA 3523-INO); ADB. 2000. *Report and Recommendation of the President to the*

government institutions and local communities, but much more needs to be done. A major ADB initiative is the proposed Loan and Technical Assistance Grant for Local Government Finance and Governance Reform Sector Development Program that is to enhance the effectiveness and efficiency of delivery of basic public services. As the initiative does not directly address the issue of NRM, this TA is expected to establish linkages and create synergies with and/or between the beforementioned program on LG Finance and Governance Reform, through information exchange and cooperation in districts selected for case studies.

5. Decentralized natural resources management as a crosscutting theme has, to a limited extent, been addressed by a few external agencies, including United States Agency for International Development (USAID), United Nations Development Programme (UNDP), and German Agency for Technical Cooperation (GTZ). Most agencies, however, have expressed primary interest in public administration, fiscal reform, and capacity building in support of decentralization in Indonesia and only rather limited interest in NRM.

6. The TA shall, inter alia, contribute to filling that NRM thematic gap, and it shall provide policy advisory support to the Government to improve and strengthen NRM at district and provincial levels, particularly in the context of decentralization. In addition, the TA shall provide technical support to ongoing ADB financed activities in Indonesia both at policy and at project level. For instance, the TA will carry out case studies in districts with projects dealing with the management of coastal and marine resources and/or water resources.

7. The Ministry of Home Affairs (MOHA) as the ministry overseeing the decentralization process has been closely collaborating with LGs and with various ministries including the ministries of environment, marine affairs and fisheries, agriculture, and forestry. They all are working on an agenda that takes sustainable NRM into account, and are in the process of setting up various regulatory details, and are defining functional assignments of different layers of government and minimum service standards that are to be provided at the local level. Over the next few years, technical and administrative guidelines will have to be updated or developed. In order to more effectively implement the national policies on NRM and deliver the technical and public services, the coordination between district environment agencies and the agriculture, fisheries, forestry, public works district agencies needs to be adjusted and optimized. In this context it is noteworthy mentioning that a transparent and fair granting of permissions and licenses for natural resources utilization and adequate law enforcement are prerequisites for sustainable NRM. In close cooperation with MOHA, the TA's component 1 will provide support for institutional strengthening and development.

8. A key recommendation of TA 3523-INO (footnote 6) has been that it is essential to promote the process of participatory spatial planning.<sup>7</sup> It may play an essential role for integrated and sound development planning that benefits NRM at the same time. As spatial planning decisions look beyond the usually sector-dominated considerations and decisions, they contribute to more effectively meeting the multiple requirements of the various NRM sectors and attempt to maximize the efficiency of (natural) resource use for the long-term. Despite some localized good examples of

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*Board of Directors on a Proposed Loan to the Republic of Indonesia for the Marine and Coastal Resources Management Project.* Manila; ADB. 2002. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of Indonesia for the Sustainable Capacity-Building for Decentralization Project.* Manila; ADB. 2004. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of Indonesia for the State Audit Reform Sector Development Program.* Manila; ADB. 2005. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Technical Assistance Grant to the Local Government Finance and Governance Reform Sector Development Program.*

<sup>7</sup> In line with the Government's Action Plan for Sustainable Development (2004).

successful NRM practices, there has been no upscaling of such examples in Indonesia. A proper linkage between macro (here: spatial planning/development planning at district level) and micro level NRM (here: land user decisions at village level) decisions needs to be well established, and the district case studies of TA's component 2 shall deal with these issues.

9. It is recognized that LGs need to continue enhancing their capacity to effectively pursue management and planning functions, in relation to NRM and spatial planning. Limited knowledge on sustainable NRM among LG decision makers and staff has continued to be a bottleneck in sustainable development. Improvements can be achieved through a combination of (i) large-scale sustainable development and environmental education programs at all levels of society, along with (ii) targeted training programs for LGs.<sup>8</sup> Transfer of knowledge and provision of tools and decision-support systems to the LG level are areas that deserve continued attention. New technologies for information dissemination should be utilized, largely for reason of cost-efficiency. The TA's component 3 will provide support to that effect.

10. The TA shall also contribute to ADB's NRM sector strategies for marine and coastal management, agriculture and rural development, water resources management and environmental protection and to related ADB project interventions. Moreover, it shall provide support to achieve the Millennium Development Goal (MDG) 7 (ensure environmental sustainability) target 9 (integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources) and MDG 1 (eradicate extreme poverty and hunger), and it will be complementary to multisectoral capacity-building initiatives for LGs. With this TA, ADB continues and intends to strengthen its role in NRM in the context of decentralization.

### **III. THE TECHNICAL ASSISTANCE**

#### **A. Impact and Outcome**

11. The TA is expected to mainstream principles and approaches of sustainable NRM into LG decision making and to improve LGs' capability and capacity to sustainably manage their natural resources in selected districts, through (i) enhanced government oversight, (ii) proposed improved practices, and (iii) information dissemination and awareness raising. The outcomes and outputs are expected to have overall positive effects and lead to a more sustainable NRM, that is environmentally sound and socioeconomically viable (project impact). Hence, the TA will contribute to economic growth and to ADB's overarching goal of poverty reduction.

#### **B. Methodology and Key Activities**

12. The TA will have three components: (i) policy analysis and institutional strengthening and development, (ii) participatory spatial-based planning approaches in the development planning process, and (iii) awareness raising for decision making in respect of NRM. Activities will be carried out at central Government and LG level in up to six districts that will be selected for case studies. Lessons learned from the district case studies shall help LGs and the central Government in improving decision making regarding NRM. Relevant information, data, technical approaches, policy recommendations, and lessons from other relevant projects as well as views of communities and the public will be inputs to the TA study.

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<sup>8</sup> TA 3523-INO (footnote 5) developed short-term training modules for local government representatives on the following topics: (i) environmental awareness and ecosystem based natural resources planning and management, (ii) natural resources and environmental law, and (iii) natural resources accounting and environmental economics.

13. **Component 1: Policy Analysis and Institutional Strengthening.** It will include a thorough review/analysis of the decentralization policy and legislative framework and their impacts on sustainable NRM, taking into account, among others, experiences gained from past ADB-assisted projects. It will include a review of current practices, roles and the functioning of LG (e.g., local secretariat, *dinas*, *badan*<sup>9</sup>) for NRM and environmental protection, as defined by enacted laws, regulations, and guidelines. The TA will assist MOHA in facilitating and supervising the implementation of decentralized NRM, including piloting, validating, and testing technical guidelines that are being developed following the enactment of Laws 32/2004 and 33/2004. Particular emphasis will be given to developing recommendations for (i) institutional strengthening and reform at district government level, and (ii) improvements in the coordinated functioning of the different levels of government.

14. **Component 2: NRM Development Planning.** The TA also aims at adequate reflection of and incorporation of NRM and environmental considerations into the district development planning process. For that it will provide advisory support to strengthen the process of spatial planning at the district level. The current practice of spatial planning will be reviewed and analyzed, and bottlenecks will be identified and solutions proposed. The linkage between the district government-driven development planning process and community- and village-based NRM-related activities is essential. That is why the TA will analyze examples of districts with successfully established linkages between/integration of top-down and bottom-up approaches in NRM and will draw lessons from those experiences. In selected districts, the TA will review what are considered good practices and determine whether such practices can be replicated in other locations.

15. **Component 3: Information for Decision Making.** Further, the TA will develop and disseminate tools and information materials for raising awareness among LGs and the public at large, including new and innovative approaches of natural resources accounting in order to demonstrate the long-term economic value of natural resources. The TA will provide technical support to MOHA to develop technical guidelines for economic valuation that will be published. The above activities will be carried out in cooperation and consultation with stakeholders from up to six selected districts. The TA will establish a website that will provide comprehensive information in Bahasa Indonesia and English on issues relating to decentralized NRM, including successful examples of community-based NRM and established linkages between/integration of top-down and bottom-up approaches in NRM and planning. The website will be operated and maintained by the Agency for Assessment and Application of Technology (BPPT) up to at least 2 years after TA closing.

16. Up to six districts in no more than three provinces will become actively involved in the TA through district case studies analyzing their specific experiences with NRM before and after 1999–2004. Those districts will share lessons learned, recommendations, and conclusions with other districts, provinces, the central Government and the public. Moreover, the TA will seek views of LGs and other stakeholders and hold discussions on institutional strengthening and reform and the adequacy of community participation in decision making in respect of NRM. The results of the aforementioned activities will be captured in case study reports and published on the website. Information materials that will be produced under the TA will be developed in consultation with the selected districts and their dissemination tested there as deemed necessary. Criteria for selecting the districts include (i) districts' achievements in sustainable NRM and environmental management, (ii) institutional setup at the district level, and (iii) degree of districts' fiscal dependence on natural resources-based revenues. Districts shall be selected that participate in ADB financed (i) marine and coastal resources management and/or (ii) water resources management projects, and

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<sup>9</sup> *Dinas* – technical agency of regional government; *badan* – a technical supporting institution of government.

participate in ADB's proposed Local Government Finance and Governance Reform Sector Development Program.

### **C. Cost and Financing**

17. The total cost of the TA is estimated at \$795,000 equivalent, comprising \$315,000 in foreign exchange and \$480,000 equivalent in local currency. The TA will be financed on a grant basis by ADB's TA funding program. ADB will finance \$600,000 equivalent covering the entire foreign exchange cost of \$315,000 and \$285,000 equivalent of the local currency cost. The Government will bear the balance of the local currency cost of \$195,000 equivalent to cover local travel and expenses for operation and maintenance of the website, the office, and counterpart staff. Details are in Appendix 2.

### **D. Implementation Arrangements**

18. MOHA will be the Executing Agency for the TA and will implement it through its Directorate General of Regional Development (BANGDA). BANGDA has appointed a project officer who is the point of contact between BANGDA and ADB. BANGDA will provide logistical and other administrative support services. It will closely coordinate with the BPPT that will provide scientific inputs and make available its expertise for the TA, particularly relating to the component raising awareness for decision making in respect of NRM. Interagency coordination will be ensured by a TA steering committee to be chaired by BAPPENAS and co-chaired by BANGDA. The committee will meet periodically to review TA progress and provide guidance and feedback to the consultants. It will have representatives of concerned government agencies such as BAPPENAS, Ministry of Finance, MOHA, BPPT, Ministry of Marine Affairs and Fisheries, Ministry of Environment, Ministry of Forestry, and Ministry of Agriculture and of LGs of the case study districts.

19. The TA will be implemented by a team of international consultants (about 11 person-months) and domestic consultants (about 43 person-months), to be engaged through an international consulting firm. In view of the multisectoral character of the TA and the need for developing innovative solutions, selection of the firm will be based on a full technical proposal using ADB's quality-based selection method. The team leader, an international consultant, will work full-time in Indonesia for the duration of the TA study. Technical expertise will be required in policy and institutional development, public administration, environment and natural resources management legislation, participatory spatial planning, NRM, environmental management, environmental economics and accounting, conflict resolution and community development, information management and public relations. ADB will engage the consultants in accordance with its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for engaging domestic consultants. Appendix 3 gives the outline terms of reference. All procurement under the TA will follow ADB's *Guidelines for Procurement*. The TA will be implemented over 7 months, from February to August 2006.

## **IV. THE PRESIDENT'S DECISION**

20. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$600,000 on a grant basis to the Government of Indonesia for Natural Resources Management in a Decentralized Framework, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Improvements in environmentally and socioeconomically sound and sustainable natural resources management (NRM)</p>	<ul style="list-style-type: none"> <li>• Contribution to achieving Millennium Development Goal (MDG) 7, target 9</li> <li>• Improved LG development planning</li> </ul>	<p>Statistics and regional environmental data</p>	
<p><b>Outcomes</b> Principles and approaches of sustainable NRM mainstreamed into local government (LG) decision making</p> <p>Advances in LG capability and capacity to sustainably manage renewable natural resources</p>	<ul style="list-style-type: none"> <li>• Enhanced awareness level among LG staff and stakeholders in selected districts</li> <li>• Adopted relevant local regulations and use of relevant guidelines</li> <li>• Interaction and feedback between Ministry of Home Affairs (MOHA) and LGs on (i) NRM-related experiences and requirements at LG level, and (ii) NRM policy revisions at central government level</li> </ul>	<p>Surveys among LG staff</p> <p>Final report, back-to-office reports</p> <p>Land quality indicators</p> <p>Website hits</p> <p>Use of case study reports in MOHA and other relevant Government institutions</p> <p>Activities with milestones (5.)</p>	<ul style="list-style-type: none"> <li>• Effective communication/co-ordination between different levels of government and other stakeholders</li> <li>• Readiness for institutional reform and change of practices</li> </ul>
<p><b>Outputs</b></p> <p>1. <b>Policy analysis and institutional strengthening.</b> Enhanced government oversight in natural resources management (NRM) at the local level</p> <p>2. <b>NRM Development planning.</b> Practices of participatory spatial-based planning approaches</p>	<ul style="list-style-type: none"> <li>• Analytical assessment of decentralization policy and legislative framework, of identified gaps, and of recommended actions (within 2 months)</li> <li>• Position paper with recommendations for LG institutional reform in respect of NRM (within 4 months)</li> <li>• Provision of advisory services to MOHA on issues relating to facilitation of supervision of NRM at national level</li> <li>• Analytical assessment of spatial planning process and of community involvement in NRM in selected districts (within 2 months)</li> <li>• Recommendations for</li> </ul>	<p>Activities with milestones (1.1-1.4, 2.1-2.3)</p> <p>Activities with milestones (1.1-1.4, 3.1-3.3)</p>	<ul style="list-style-type: none"> <li>• No restriction on availability and access to timely information and personnel</li> </ul>

<b>Design Summary</b>	<b>Performance Targets/Indicators</b>	<b>Data Sources/Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
<p>assessed and actions proposed</p> <p><b>3. Information for decision making.</b> Enhanced awareness of LG officials for NRM</p>	<p>incorporating and mainstreaming NRM and environmental considerations into the district development planning process (within 3 months) and discussing and applying them in selected districts (throughout TA implementation)</p> <ul style="list-style-type: none"> <li>• Fully operational (within 2 months) website, being maintained until 2 years after TA closing date</li> <li>• Quality and quantity of information materials disseminated to LGs and the public</li> <li>• Technical guidelines for economic valuation of natural resources (within 4 months)</li> </ul>	<p>Activities with milestones (1.1-1.4, 4.1-4.3)</p>	
<p><b>Activities with Milestones</b></p> <ol style="list-style-type: none"> <li>1.1. Submit inception report/selection of participating districts/establishment of TA steering committee: within 1 month of TA commencement</li> <li>1.2. Submit interim report: within 4 months of TA commencement</li> <li>1.3. Submit draft final report: within 6 months of TA commencement, final report prior to TA closing</li> <li>1.4. Conduct workshops with LGs and stakeholder consultations in pilot project areas: commencing from the second month, throughout TA implementation</li> <li>2.1 Review/analyze revised (1999 and 2004) policy and legislative framework and its impacts on NRM and of roles and functions of different levels of government – within 2 months of TA commencement</li> <li>2.2. Recommend institutional strengthening and reform of LGs and synchronized functioning between all levels of Government – within 4 months of TA commencement</li> <li>2.3. Provide technical advisory support to MOHA in facilitating and supervising decentralized NRM; and pilot, test, and validate related technical guidelines and apply recommendations in selected districts – throughout TA implementation</li> <li>3.1. Review/analyze of spatial planning process at district government level and assess quality of community involvement in NRM in selected pilot project areas (in conjunction with 1.4 and 2.1.) – within 2 months of TA commencement</li> <li>3.2. Recommend incorporating and mainstreaming NRM and environmental considerations into the district development planning process (in conjunction with 2.2.) – within 3 months of TA commencement</li> <li>3.3. Apply recommendations in selected districts – commencing fourth month of TA</li> <li>4.1. Develop and disseminate information materials/tools for NRM-based decision making through website and other means to LGs and the public – throughout TA implementation</li> <li>4.2. Create (second month) and maintain website – ongoing up to at least 2 years</li> </ol>			<p><b>Inputs</b></p> <ul style="list-style-type: none"> <li>• ADB: \$600,000</li> <li>• Government: \$195,000</li> </ul>

<b>Design Summary</b>	<b>Performance Targets/Indicators</b>	<b>Data Sources/Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
<p>after TA closing</p> <p>4.3. Finalize technical guidelines for economic valuation of natural resources – within 4 months after TA commencement</p> <p>5. Define monitoring and evaluation indicators for selected districts (first month) and carry out surveys/monitoring – second and seventh month of TA implementation</p>			

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
<b>A. Asian Development Bank (ADB) Financing<sup>a</sup></b>			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	220.0	0.0	220.0
ii. Domestic Consultants	0.0	170.0	170.0
b. International and Local Travel	20.0	5.0	25.0
c. Reports, Communications, Publications	0.0	20.0	20.0
2. Equipment	5.0	0.0	5.0
3. Training, Seminars, and Conferences			
a. Workshops	0.0	45.0	45.0
b. Training	15.0	0.0	15.0
b. Information Materials, Tools, Website	0.0	30.0	30.0
4. Miscellaneous Administration and Support Costs	0.0	5.0	5.0
5. Representative for Contract Negotiations	5.0	0.0	5.0
6. Contingencies	50.0	10.0	60.0
<b>Subtotal (A)</b>	<b>315.0</b>	<b>285.0</b>	<b>600.0</b>
<b>B. Government Financing</b>			
1. Office Accommodation and Transport	0.0	100.0	100.0
2. Remuneration and Per Diem of Counterpart Staff	0.0	60.0	60.0
3. Website Operation and Maintenance	0.0	15.0	15.0
4. Others	0.0	20.0	20.0
<b>Subtotal (B)</b>	<b>0.0</b>	<b>195.0</b>	<b>195.0</b>
<b>Total</b>	<b>315.0</b>	<b>480.0</b>	<b>795.0</b>

<sup>a</sup> Financed by ADB's technical assistance funding program.  
Source: ADB estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

### A. General

1. The consulting team will work in close collaboration with the Ministry of Home Affairs (MOHA) and the Agency for Assessment and Application of Technology (BPPT) and other relevant institutions, and will provide overall technical and advisory services to the central Government and the participating district governments in the selected districts. It is estimated that the TA will require about 54 person-months of expert services (about 11 international and 43 domestic) to be engaged through an international firm. The terms of reference require a degree of flexibility in the experts to be recruited to enable them to realign their tasks to meet the Government's emerging needs over the duration of the technical assistance (TA).

2. The team leader will supervise the work of the team and will present, discuss, and refine, if necessary, the detailed work program and work assignments for the team of consultants; be responsible for preparing timely reports consolidating the findings of the team of consultants and discussing these with stakeholders, the Government, and the Asian Development Bank; and be responsible for monitoring and evaluation.

3. The consultants will submit 10 copies each of the inception, interim, and draft final reports for review, and 20 copies of the final report. The final report will be submitted 2 weeks after the final tripartite meeting. The consultants' tasks and major expected achievements are outlined in "activities with milestones" in Appendix 1. The tentative breakdown of consulting services with information on the required technical expertise follows.

### B. Tasks

4. The consultants will carry out various activities relating to three TA components: diverse analytical assessments, technical advisory services to government institutions, stakeholder consultations, training and workshops, public relations and information dissemination-related activities—using various techniques such as structured interviews, literature reviews, workshops, seminars and information and communication technologies, and comprehensive district case study reports for up to six participating districts. In addition to working with the central Government, the consultants will closely liaise and interact with governments and other stakeholders in the selected districts.

#### 1. **Review and Analyze Decentralization Policies, and Legislative Framework and Their Impacts on Natural Resources Management**

5. The consultants will (i) review experiences (the conclusions and recommendations) of previous and ongoing related projects, and assess them in the context of the recently (2004) revised decentralization laws (32/2004 and 33/2004); and (ii) compile information and analyze the context and trends in Natural Resources Management (NRM), as influenced by the decentralization process. Major emphasis will be on (i) the critical review of the functioning of local governments (LGs) in respect of NRM and environmental protection, and (ii) assisting MOHA in piloting, testing, and validating technical guidelines.

6. The outputs are the following: (i) position paper with recommendations for LG institutional reform in respect of NRM; (ii) analytical assessment of decentralization policy and

legislative framework, of identified gaps and recommended actions; and (iii) contributions to developing NRM-related technical guidelines.

## **2. Strengthen Participatory Spatial-Based Planning Approaches to Support Sustainable NRM**

7. The consultant will (i) analyze/review current practices of spatial planning, (ii) identify bottlenecks and propose solutions, (iii) provide advisory support to strengthen the process of spatial planning at district level, (iv) analyze examples of districts with successfully established linkages between/integration of top-down and bottom-up approaches in NRM and planning, and of successful community-based NRM schemes and opportunities at the local level in case studies.

8. The outputs include (i) analytical assessment of the spatial planning process and of community involvement in NRM in pilot districts, and (ii) recommendations for incorporating and mainstreaming NRM and environmental considerations into the district planning process and applying them in selected districts.

## **3. Disseminate Information Materials and Develop Tools for Raising Awareness**

9. The consultants will (i) disseminate information materials relating to decentralized NRM, particularly through a newly designed and established website, including operation and maintenance of the website; (ii) provide technical support to MOHA to develop technical guidelines for economic valuation of natural resources, and (iii) use the website as a discussion forum on decentralized NRM in Indonesia and publish results of the web forum and overall TA results.

10. The outputs are (i) a fully operational, multifunctional website on decentralized NRM, and (ii) technical guidelines for economic valuation of natural resources.

11. The aforementioned tasks will take into account all issues and requirements that are pointed out in the methodology and key activities and Appendix 1 of this TA paper.

## **C. Required Expertise and Qualifications**

12. The consultants will have adequate and relevant in-country project experience. International consultants with Bahasa Indonesia language capabilities will be preferred.

13. The team will comprise consultants with a natural resources management specialist as team leader (international consultant) and a policy and institutional development specialist as the deputy team leader (domestic consultant). Additional required expertise will be in public administration, participatory spatial planning, environmental economics and accounting, conflict resolution/community development, information/website management, public relations, environment/natural resources management legislation, environmental management, and other subject areas deemed necessary for the successful implementation of the TA.