



**The 5<sup>th</sup> Bi-annual Progress Report  
October 2017 – July 2020 (Updated)**

**ITTO PD 737/14 Rev. 2 (I)**

“Developing Supply Capacity of Wood-Based Biomass Energy  
through Improved Enabling Conditions and Efficient Utilization of  
Degraded Forest Lands involving Local Communities  
in North Sumatra Province of Indonesia”

Directorate of Production Forest Business Management (UHP),  
Directorate General of  
Sustainable Management of Production Forests (PHPL)

Starting Date:  
October 2017

Duration:  
48 Months

Project Cost:  
ITTO US\$ 487,100.00  
GoI US\$ 197,150.00

**Jakarta, August 2020**

## Updated The 5<sup>th</sup> Bi-annual Progress Report

October 2017 – July 2020

<b>Project number</b>	<b>:</b>	<b>PD 737/14 Rev.2 (I)</b>
<b>Project title</b>	<b>:</b>	<b>Developing Supply Capacity of Wood-Based Biomass Energy through Improved Enabling Conditions and Efficient Utilization of Degraded Forest Lands involving Local Communities in North Sumatra Province of Indonesia</b>
<b>Host Government</b>	<b>:</b>	<b>Government of Indonesia</b>
<b>Executing Agency</b>	<b>:</b>	<b>Directorate General of Sustainable Management of Production Forests (PHPL)</b>
<b>Collaborating Agency</b>	<b>:</b>	<b>Indonesian Sawmill &amp; Woodworking Association (ISWA)</b>
<b>Project Management Unit</b>	<b>:</b>	<b>Established pursuant to the MoU signed by PHPL and ISWA on 18 September 2017</b>
<b>Starting date</b>	<b>:</b>	<b>1 October 2017</b>
<b>Project duration</b>	<b>:</b>	<b>48 months</b>
<b>Total project costs</b>		
• ITTO	<b>:</b>	<b>USD 589,863</b>
• GOI	<b>:</b>	<b>USD 197,150</b>
• Total	<b>:</b>	<b>USD 787,013</b>
<b>YPO 3 Project Costs</b>		
• ITTO	<b>:</b>	<b>USD 102,880</b>
• Gol	<b>:</b>	<b>USD 40,990</b>
• Total	<b>:</b>	<b>USD 143,870</b>
<b>Submitted to ITTO</b>	<b>:</b>	<b>August 2020</b>

## **Project Management Unit**

- Project Coordinator** : Jimmy Chandra
- Project Secretary** : Richma Wahyuni
- Field Supervisor** : Dedy Agape Sitanggang
- Technician** : Edi Setiarahman
- Management Advisor** : Dr Hiras Sidabutar
- Supervising body** : Directorate of Forest Production Business Management (UHP, DG PHPL)
- Head of Sub Directorate RKUPHT
  - Head of Sub Division of Legal and Technical Cooperation
  - Head of Regional Office of Production Forest Development (Medan)
  - Head of Section of Technical Cooperation, Secretariat Directorate General PHPL
  - Head of Section of Financial and Administration, Secretariat Directorate General PHPL

### **Partners:**

- Forestry Agency of North Sumatera
- Simalungun FMU
- Humbang Hasundutan FMU
- Padang Sidempuan FMU

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## Explanatory notes

This document is the updated version of the fifth Bi-annual Progress Report; the updates made include: execution of Activities 1.5 and the 5<sup>th</sup> Training Module of Activity 2.2, issuance of NOL to execute Activity 2.3 as well as cash flow and financial statements of the project at 31 July 2020.

### 1. Description of the Work Implemented in the Period

This progress report covers the period of operation from 1 October 2017 to 31 July 2020 with a focus on activities during the October 2019 – July 2020 period; the activities implemented during this period are outlined below:

#### Output 1: Development of sustainable supply of energy wood initiated

Out of 5 activities defined under the Output, 3 activities were implemented under YPO 1, namely:

i. Activity 1.1 (completed)

To identify suitable lands for development of energy forests in South-eastern of North Sumatra province covering 13 districts (Kabupaten). This activity was implemented with the assistance of a competent national consultant, Dr Aswandi of Aek Nauli Forestry Research Institute, and had been successfully completed. A satisfactory technical report has been submitted by the Consultant to the PMU.

ii. Activity 1.2 (completed)

To identify suitable lands on 3 FMUs for energy forest development; the FMUs identified were KPH Unit XII Simalungun district, KPH Unit XVII Humbang – Hasundutan district and KPH Unit X Padang Sidempuan of Tapanuli Selatan district.

The same as Activity 1.1, this activity was implemented with the assistance of a competent national consultant, Dr Aswandi, and had been completed. A technical report of the activity had been submitted by the Consultant.

iii. Activity 1.3 (on-going)

To establish energy forest models for purpose of demonstration and training (3 sites, 3 species, 36 ha in total). Establishment of demo plots for energy forest at 3 sites using kaliandra, gamal, and lamtoro species had been completed as outlined below noting that growth monitoring is on-going:

a. At Simalungun FMU

- The total land area planted was 9 Ha, the land was earlier occupied by Panribuan village community
- Planting of Kaliandra, gamal and lamtoro, each 3 Ha in size, was completed by end of April 2018
- The growth monitoring conducted in early April 2020 indicated that kaliandra grew better than gamal and lamtoro. Data processing is underway and will be reported to the next PSC meeting under Progress Report #6.

b. At humbang Hasundutan FMU

- The total land area planted was 12 Ha; the land was previously occupied by Parlilitan village community

- Planting of kaliandra, gamal and lamtoro, each 4 Ha in extent, was completed by end of June 2018
  - The growth monitoring carried out in early April 2020 indicated that kaliandra grew best compared to gamal and lamtoro. Monitoring data are under processing, to be reported to the next PSC meeting under Progress Report #6
- c. At Padang Sidempuan FMU,
- The total land area planted was 12 Ha; the land was controlled by the FMU, not under occupation by local community
  - Planting of kaliandra, gamal and lamtoro, each 4 Ha in size, was completed by end of May 2018
  - The monitoring of growth carried out in mid-March 2020 indicated that kaliandra grew better than the other two species. The same as the other two demplots, monitoring data are still under processing.

In general, survival rate in all demplots was relatively low which might be due to:

- Low quality of planting materials
- Inappropriate planting of materials by laborers
- Lack of maintenance
  - Late of weeding
  - Late of replacement of died seedlings

In particular, the low survival rate could be attributable to:

- Unsuitable soil at Humhas FMU
- The lamtoro's site requirements do not match the site attributes in all sites.

iv. Activity 1.5:

To estimate potential supply of non-forest sources. The activity is currently under execution which may experience some delay caused by the wide spread of corona virus; the work was started on 19 May 2020, and is currently under reporting stage.

Output 2: Skillfull manpower for development of wood-based biomass energy available

Out of 5 activities defined under Output, 4 activities have been implemented under YPO1 and YPO 2; they are:

- i. Activity 2.1: To conduct dialogue with local communities on benefits of energy forest development (50 villages in 13 districts) in Years 1 and 2 (completed).
  - Dialogue with the communities at 49 villages in 13 Districts had been completed. The activity was implemented with the assistance of the University of Simalungun since June 2018 (YPO 1) till January 2019 (YPO 2)
  - A Technical report on the activity is now available with the project.
- ii. Activity 2.2: To train local communities on technical skills for energy forest development covering planting, tree nursing, planting and harvesting techniques (100 farmers leaders of 50 villages).  
The activity has been fully implemented including the training on bee honey production, the 5<sup>th</sup> training module of the activity. Results of the activity are outlined below:

- The subjects covered in the training were:

- a. Techniques for nursery development and for the production of planting materials (Module 1) for the three target species, namely: gamal, kaliandra and lamtoro
  - b. Techniques for land preparation and for planting of planting materials (Module 2)
  - c. Techniques for plantation maintenance covering replacement of died seedlings, weeding, and fertilizing (Module 3)
  - d. Techniques for harvesting (Module 4) of trees of different ages and density of plantation.
  - e. Techniques for producing bee honey (Module 5) covering bee raising, honey harvesting and marketing
- Participants of the training were 205 in total, originating from 12 districts surrounding the plantation demplots, noting that: participants of Module 1, 2, 3 and 4, each 34 people, are the same persons, while participants of Module 5 were 35 people. It is to be noted also, that the training on harvesting techniques was implemented only at two demplots as harvesting at Humbang Hasundutan demplot is not feasible due to the fact that all 3 species were failing to grow and develop.
  - The time schedule for execution of the training modules (1,2 and 3) was:
    - ✓ 25-27 September 2019 at Simalungun demplot, 34 trainees
    - ✓ 02-04 October 2019 at Padang Sidempuan demplot with 34 trainees
    - ✓ 12-14 November 2019 at Humbang Hasundutan demplot, 34 trainees.
  - The training on harvesting techniques (Module 4) was executed as follows:
    - ✓ 26-28 November 2019 at Simalungun demplot, 34 trainees
    - ✓ 04-06 December 2019 at Padang Sidempuan demplot, 34 trainees
  - The training bee honey production (Module 5) was carried out on 06 – 09 July 2020 (excluding preparation) in Pematangsiantar with 35 participants originating from 11 different districts.

The number of trained farmers was 205 in total which met the indicator of achievement, i.e. 100 farmers, defined in the project document. A technical report on the implementation of the activity is under preparation, should be ready by August 2020.

- iii. Activity 2.3: To train local people on village cooperative management  
The activity is under preparation for execution; ITTO Secretariat had issued a NOL to execute the activity.
- iv. Activity 2.4: To conduct comparative studies on wood-based energy industry development for executives and manager.  
Under this activity, 3 studies have been conducted which are highlighted below:
  - a. The Vietnam study
    - Conducted on 13-19 May 2019 with 17 participants in total comprising reps. of MoEF, Regional Government (Tapanuli Utara District), forestry industry associations and PMU of the project
    - The study was considered successful; the participants gained first hand information on various aspects of forest industry development especially on forest management and forest industry development policies
    - The lesson learned from Vietnam were applicable to Indonesia's case

b. The Ganzhou, China study

- The study was conducted on 24-30 May 2019 with Mr. Jimmy Chandra, the Project Coordinator, as the sole participant
- The primary activity of the study was to attend the 4<sup>th</sup> Global Conference on Rubber-wood Industry Development. Among the useful lessons learned from the Conference are outlined below:
  - ✓ China consumed some 6-7 MM<sup>3</sup> of KD sawn rubber wood mainly by the furniture industries; wastes are used for producing black pellet in combination with wastes of other wood industries
  - ✓ China is pursuing a wood industry clustering strategy for wood industry development whereby wood wastes by different industries can be efficiently collected and utilized by needing industries
  - ✓ Another critical element of the clustering strategy is construction of “grand kiln-drying facilities”, in this manner, individual-processors, particularly small-sized ones, do not have to invest in kiln-drying but can use the service of the “grand kiln-drying” on a rental basis
  - ✓ In addition, wood terminal development is also an essential part of the clustering strategy. A wood terminal buys timber from different sources, both domestic and overseas, and sells to consuming processors at competitive prices due to economies of scale
  - ✓ Efficient utilization of wood raw materials is also promoted through use of wood-ripping machines having high sawing precision thus minimize wastes.

c. The Shanghai study

- The study was a participation in the International Forum “Together towards Global Green Supply Chains: A forest products industry initiative” held in Shanghai, China, on 22-25 October 2019; the Project was represented by Mr. Istanto of the Executing Agency and Dr. Hiras Sidabutar of the PMU.
- Among the important lessons learned from the Forum are highlighted below:
  - ✓ The global communities have shown a positive change in their attitude towards forest industries: from initially identified as “trouble maker” to an essential element of forest resource restoration and climate change negotiation process
  - ✓ Vietnam’s export value of timber products had increased from USD 1,7M in 2013 to app. USD 11,4 M in 2019, using imported raw materials and log harvested from the 3 M hectares of plantation, due mainly to ability to formulate and implement the effective strategy and policies on timber industry development.

Output 3: Investment in wood-based energy industry development promoted

The activities under Output 3 that had been implemented under YPO 1 and YPO 2 are summarized below:

Activity 3.1: To disseminate information on technology and market for wood-based energy through website and other means.

- This activity has been continuously implemented since October 2018; and will go on till end of the project

Activity 3.2: To organize one national workshop on wood-based energy development in Medan (completed)

- This Activity had been implemented under YPO 1 in the form of a One-day Workshop on “Initiation of new renewable energy (EBT) development in North Sumatera Province, on 4 December 2017 in Pematang Siantar.
- The workshop was attended by 53 participants representing the primary stakeholders and had successfully achieved its planned objectives.
- A separate technical report on the workshop is now available with the Project.

Activity 3.4: To conduct feasibility study on investment in commercial manufacturing of wood-based energy including electricity and wood pellets

- This activity has been completed with the assistance of 4 (four) competent national experts led by Dr. Dede Hermawan;
- Findings of the study had been presented to the workshop held on 2 September 2019 in Jakarta.
- The workshop was attended by some 40 people representing government institutions, practitioners, decision makers and would-be investors
- The feasibility study report is now available with the project

Activity 3.5: To review existing policy on wood-based biomass energy development in view of strengthening incentive for investment (completed)

- The activity had been implemented and completed with the assistance of a national consultant, Dr Subarudi of Forestry R & D Agency;
- A FGD on results of the review work was held on 28 January 2019 and attended by some thirty professionals;
- A technical report on the implementation of the activity is now available for use by decision makers.

Activity 3.6: To form and operate a consultation forum on renewable energy for enhancing communication and coordination between stakeholders

- The activity had been implemented and completed with the assistance of a national consultant.
- A technical report on the activity is currently under compilation.

## **2. Execution of YPO 1, YPO 2 and YPO 3**

### **2.1. The workplan reviewed**

The workplan and progress in implementation of YPO 1, YPO 2 and YPO 3 is summarized in Table 1

**Table 1. Review of workplan (YPO 1, YPO 2 and YPO 3) since Oct 2017**

Output/Activity	YPO 1				YPO 2				YPO 3				YPO 4				Executor	Achievement (%)
	Q1	Q2	Q3	Q4														
<b>Output 1: Development of sustainable supply of energy wood initiated</b>																		
Activity 1.1: To identify suitable lands (North Sumatera province)																	PMU,AN-FRI Expert	100
Activity 1.2: To identify Su & Av lands (3 FMUs)																	PMU,AN-FRI Expert	100
Activity 1.3: To establish demplots (3 sites) <sup>1)</sup>																	PMU, Contractors	80
Activity 1.4: To estimate potential supply of planted energy forests																	PMU,AN-FRI	Nil
Activity 1.5: To estimate potential supply of non-forest sources																	PMU,AN-FRI	80
<b>Output 2: Skilful manpower for development of energy forests available</b>																		
Activity 2.1: To conduct dialogues (49 out of 50 villages)																	PMU, University	100
Activity 2.2: To train local people on energy forest development <sup>2)</sup>																	PMU, Contractors	85
Activity 2.3: To train local people on village cooperative management																	PMU, Professionals	35
Activity 2.4: To conduct comparative studies																	PMU,EA	100
Activity 2.5: To develop technical manuals																	PMU,AN-FRI	Nil

Output/Activity	YPO 1				YPO 2				YPO 3				YPO 4				Executor	Achievement (%)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
<b>Output 3: Investment in wood-based energy industry promoted</b>																		
Activity 3.1: To disseminate information	Realized												Planned				PMU	65
Activity 3.2: To organize a regional workshop			Realized														PMU	100
Activity 3.3: To examine caloric properties													Planned				PMU, Bogor-FRI	Nil
Activity 3.4: To conduct a FS							Realized										PMU, Experts	100
Activity 3.5: To review existing policy						Realized											PMU, Bogor-FRI	100
Activity 3.6: To form a stakeholders forum							Realized										PMU, Consultant	100

 Realized  
 Planned

AN-FRI : Aek Nauli Forest Research Institute  
 Su & Av : Suitable and available lands

- 1) Demplots established, growth monitoring on going, starting Oct 2018, planned for every 4 months
- 2) Commenced in Sept 2019

## 2.2. Progress in implementation

### a. Progress in implementation of the activities under YPO 3

Table 2. Progress in implementation of the activities

Output/activity	Percentage Executed	Completion date		Remarks
		Originally planned	Realized/ Expected	
<p><u>Output 1:</u></p> <p>Activity 1.3 To establish energy forest models in Year 1 for purpose of demonstration and training (3 sites, 3 species, 36 Ha in total)</p> <p>Activity 1.5: To estimate potential supply of non-forest sources</p>	<p>85%</p> <p>80%</p>	<p>Sep 2021</p> <p>Jan 2019</p>	<p>Sep 2021</p> <p>Sep 2020</p>	<p>Growth monitoring on-going every 4 months since Oct. 2018</p> <p>Late start due to pandemic Covid-19</p>
<p><u>Output 2:</u></p> <p>Activity 2.2 To train local communities on technical skills for energy forest development covering planting, tree nursing and harvesting techniques (100 farmers leaders of 50 villages)</p> <p>Activity 2.3: To train local people on village cooperative management</p>	<p>100%</p> <p>35%</p>	<p>Sep 2021</p> <p>Apr 2020</p>	<p>July 2020</p> <p>Sep 2020</p>	<p>Started earlier than schedule</p> <p>Late started due to pandemic Covid-19</p>
<p><u>Output 3:</u></p> <p>Activity 3.1 To disseminate information on technology and market for wood-based energy through website and other means</p>	<p>70%</p>	<p>Sep 2021</p>	<p>Sep 2021</p>	<p>Routine, on-going</p>

b. Achievement of outputs

None of the planned outputs has been delivered as defined indicators of individual outputs have not been met as detailed below:

i. Output 1

There are 5 activities planned for execution and status of implementation is as follows:

- 3 activities completed (Acts 1, 2 and 5)
- 1 activity ongoing (Act 1.3)
- 1 activity has not started yet (Act 1.4)

Conclusion: Output 1 has not been delivered

ii. Output 2

Under this output, 5 activities are planned for execution with status in implementation as follows:

- Activities 2.1; 2.2 and 2.4 completed
- Activity 2.3 ready to commence operation
- Activity 2.5 has not commenced yet

Conclusion: Output 2 has not been delivered

iii. Output 3

Under this output, six activities had been defined; status of implementation of individual activities is summarized below:

- Activity 3.1 is on-going till end of project
- Activities 3.2, 3.4, 3.5 and 3.6 completed
- Activity 3.3 has not started yet

Conclusion: Output 3 has not been delivered

As none of the outputs has been delivered, the specific objective has not been achieved. However, the project is progressing on track to timely achieve its defined specific objective.

2.3. Inputs applied

The financial and cash flow statements appear as Annexes 1 and 2. The amount of funds with the project at 31 July 2020 was USD 328,557.32 (Annex 1) while the remaining funds of the project on the very date was USD 72,479.60 (Annex 2). To assist in the implementation of activities, the consultants/contractors that have been employed are as listed below:

<b><u>Name</u></b>	<b><u>Activity</u></b>	<b><u>Status of work</u></b>
• Dr Aswandi	Act. 1.1, 1.2 and 1.5	Completed/ on going
• Dr Subarudi	Acts. 3.5, 3.6	Completed
• Dr Dede Hermawan	Act 3.4	Completed

- 4 small local firms                      Acts. 1.3, 2.2                      Establishment of demplots and training on energy forest development completed
- Univ. Simalungun                      Act. 2.1                      Completed
- Professional practitioners                      Act. 2.2 (Module 5)                      Completed

### 3. Critical Analysis of Project Progress

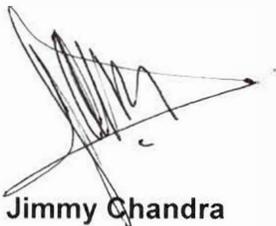
Overall, project operations have been going on as planned and on track to achieve planned objectives in time. A few critical notes that deserve mentioning are:

- Weeding must be carried out on time; otherwise weeds may grow taller than the plants due mainly to the abundant sunshine, fertile soil and high rainfall;
- Performing growth monitoring and reporting is a big challenge due to the size as well as dispersed location of demplots and the size of samples used;
- Results of the dialogue with local communities of 49 villages in 13 Districts indicate that local communities are most interested in producing energy wood provided that market for wood energy is available thus developing a wood pellet industry appears to be a big challenge;

### 4. Conclusions

- The project operation is going on smoothly and on track to achieve its planned objectives without any perceptible operational problems.
- Status of the activities planned for execution under YPO 3 are:
  - ✓ Acts. 1.3;1.5 and 3.1: on-going
  - ✓ Act. 2.2 just completed, Act 2.3 nearing execution (NOL issued)
- The project would be completed on schedule within the sanctioned budget of time and funds regardless of the pandemic Covid-19.

#### Responsible for the Report



**Name: Jimmy Chandra**

**Position held: Project Coordinator**

**Date: July 2020**

## Annex 1. Project Financial Statement

### PROJECT FINANCIAL STATEMENT

Project No. ITTO PD 737/14 Rev. 2 (I)

Period ending on: 31 July 2020

Project Title:

"Developing Supply Capacity of Wood-based Biomass Energy through Improved Enabling Conditions and Efficient Utilization of Degraded Forest Lands Involving Local Communities in North Sumatera Province of Indonesia"

Component	Approved Revised Amount (A)	Expenditures To-date			Available Funds (E) { A - D }
		Accrued (B) a/	Expended (C)	Total (D) { B + C }	
<b>I. Funds managed by Executing Agency</b>					
10. Project Personnel	\$170,525.00		\$117,155.01	\$117,155.01	\$53,369.99
11. Project Coordinator	\$89,250.00		\$57,750.00	\$57,750.00	\$31,500.00
12. Project Secretary	\$33,150.00		\$21,450.00	\$21,450.00	\$11,700.00
13. Financial Staff			\$0.00	\$0.00	\$0.00
14. Technician	\$7,425.00		\$4,455.00	\$4,455.00	\$2,970.00
15. International Consultant			\$0.00		
16. National Consultant	\$17,650.00		\$17,650.00	\$17,650.00	(\$0.00)
17. Field Supervisor	\$20,400.00		\$13,200.00	\$13,200.00	\$7,200.00
18. National Expert	\$2,650.00		\$2,650.00	\$2,650.00	\$0.00
19. Component Total:	\$170,525.00		\$117,155.01	\$117,155.01	\$53,369.99
20. Sub-contracts	\$230,051.80		\$157,732.56	\$157,732.56	\$72,319.24
21. Sub-contract 1 (Planting)					
- Planting	\$49,894.28		\$49,894.28	\$49,894.28	(\$0.00)
- Seed procurement	\$1,381.39		\$1,381.39	\$1,381.39	(\$0.00)
- Growth monitoring (a)	\$3,950.00		\$0.00	\$0.00	\$3,950.00
- Yield monitoring (b)	\$2,960.00		\$0.00	\$0.00	\$2,960.00
- Maintenance ( c )	\$27,000.00		\$0.00	\$0.00	\$27,000.00
- Demplots assessment (d)	\$2,400.00		\$0.00	\$0.00	\$2,400.00
22. Sub-contract 2 (Specialist)					
- Sub contract 2A	\$4,000.00		\$0.00	\$0.00	\$4,000.00
- Sub contract 2B	\$4,950.00		\$1,820.75	\$1,820.75	\$3,129.25
- Sub contract 2C	\$5,000.00		\$0.00	\$0.00	\$5,000.00
- Sub contract 2D	\$10,000.00		\$0.00	\$0.00	\$10,000.00
23. Sub-contract 3 (Dialogue)	\$35,864.55		\$35,864.55	\$35,864.55	(\$0.00)
24. Sub-contract 4 (Training)			\$0.00		
- Planting	\$28,287.01		\$28,287.01	\$28,287.01	(\$0.00)
- Harvesting	\$21,143.57		\$21,143.57	\$21,143.57	(\$0.00)
- Honeybee training	\$12,000.00		\$12,000.00	\$12,000.00	\$0.00
25. Sub-contract 5 (Cooperative)	\$7,950.00		\$0.00	\$0.00	\$7,950.00
26. Sub-contract 6 (Workshop)	\$7,341.00		\$7,341.00	\$7,341.00	\$0.00
27. Sub-contract 7 (Wood properties)	\$5,930.00		\$0.00	\$0.00	\$5,930.00
29. Component Total:	\$230,051.80		\$157,732.56	\$157,732.56	\$72,319.24
30. Duty Travel	\$45,735.62		\$33,650.56	\$33,650.56	\$12,085.06
31. Daily Subsistence Allowance					
31.1 DSA International Consultant(s)	\$9,495.20		\$9,495.20	\$9,495.20	\$0.00
31.2 DSA National Consultant(s)	\$1,260.00		\$1,260.00	\$1,260.00	\$0.00
31.3 DSA Money	\$10,145.97		\$5,100.96	\$5,100.96	\$5,045.01
31.4 DSA National Expert	\$490.00		\$490.00	\$490.00	\$0.00
32. Air Ticket					
32.1 International Expert(s)/Consultant(s)	\$1,050.31		\$1,050.31	\$1,050.31	(\$0.00)
32.2 Air Ticket	\$14,018.17		\$8,951.62	\$8,951.62	\$5,066.55
33. Local Transport Costs	\$9,275.97		\$7,302.47	\$7,302.47	\$1,973.50
39. Component Total:	\$45,735.62		\$33,650.56	\$33,650.56	\$12,085.06
40. Capital Items	\$1,942.92		\$1,942.92	\$1,942.92	\$0.00
41. IT Devices (PC, Printer, etc)	\$1,942.92		\$1,942.92	\$1,942.92	\$0.00
49. Component Total:	\$1,942.92		\$1,942.92	\$1,942.92	\$0.00

50. Consumable Items	\$8,752.69		\$4,545.56	\$4,545.56	\$4,207.13
51. Consumables	\$6,779.10		\$4,545.56	\$4,545.56	\$2,233.54
52. Document, material			\$0.00	\$0.00	\$0.00
53. Sundries	\$1,973.59		\$0.00	\$0.00	\$1,973.59
54. Utilities			\$0.00	\$0.00	\$0.00
55. Office space and facilities			\$0.00	\$0.00	\$0.00
59. Component Total:	\$8,752.69		\$4,545.56	\$4,545.56	\$4,207.13
60. Miscellaneous	\$33,750.00		\$13,530.71	\$13,530.71	\$20,219.29
61. Meeting	\$5,421.05		\$5,421.05	\$5,421.05	\$0.00
62. Rental Provider	\$2,184.60		\$623.35	\$623.35	\$1,561.25
63. Report Printing	\$3,983.73		\$1,483.73	\$1,483.73	\$2,500.00
64. PSC/PTC Meeting	\$6,002.59		\$3,002.59	\$3,002.59	\$3,000.00
65. Financial Audit	\$7,000.00		\$3,000.00	\$3,000.00	\$4,000.00
66. Demplot handling over					
a. Technical meetings	\$1,800.00		\$0.00	\$0.00	\$1,800.00
b. Field checking with concerned parties	\$3,000.00		\$0.00	\$0.00	\$3,000.00
c. Development of handing over documents and official signing	\$700.00		\$0.00	\$0.00	\$700.00
69. Component Total:	\$30,091.97		\$13,530.71	\$13,530.71	\$16,561.26
70. National Management Costs			\$0.00	\$0.00	\$0.00
71. Executing Agency Management Costs			\$0.00	\$0.00	\$0.00
72. Focal Point Monitoring			\$0.00	\$0.00	\$0.00
79. Component Total:			\$0.00	\$0.00	\$0.00
Sub-Total:	\$487,100.00		\$328,557.32	\$328,557.32	\$158,542.68
80. Project Monitoring & Administration					b/
81. ITTO Monitoring and Review					b/
82. ITTO Mid-term and Ex-post Evaluation					b/
83. ITTO Programme Support Costs					b/
83. Donor Monitoring Costs					
89. Component Total:					b/
90. Refund of Pre-Project Costs (Pre-Project Budget)					b/
Sub-Total:		\$0.00	\$0.00	\$0.00	b/
100. GRAND TOTAL:	\$487,100.00	\$0.00	\$328,557.32	\$328,557.32	

Note: Budget Components are those detailed in the Project Document.

a/ Accrued expenditure: expenditures committed/accrued as at the end of the reporting date, but not yet settled.

b/ Funds retained and accounted for by ITTO - details not available with Executing Agency.

## Annex 2. Project Cash Flow Statement

### PROJECT CASH FLOW STATEMENT

Project No. ITTO PD 737/14 Rev. 2 (I)

Period ending on: 31 July 2020

Project Title:

"Developing Supply Capacity of Wood-based Biomass Energy through Improved Enabling Conditions and Efficient Utilization of Degraded Forest Lands Involving Local Communities in North Sumatera Province of Indonesia"

Component	Reference	Date	Amount	
			in US\$	Local Currency
<b>A. Funds received from ITTO:</b>				
1 First instalment	S061TR0650568817	27/10/2017	\$100,000.00	Rp 1,363,000,000.00
2 Second Instalment	S061TR0520926218	31/07/2018	\$100,000.00	Rp 1,441,300,000.00
3 Third instalment	S06ITR0180011119	31/07/2019	\$100,000.00	Rp 1,402,600,000.00
4 Fourth instalment	S06ITR0299775520	24/04/2020	\$100,000.00	Rp 1,481,500,000.00
Bank Interest USD			\$120.47	Rp 1,711,979.64
Bank Interest IDR			\$1,267.79	Rp 18,084,136.29
Total Funds Received:			\$401,388.26	Rp 5,708,196,115.93
<b>B. Expenditures by Executing Agency:</b>				
10. Project Personnel			\$117,155.01	
11. Project Coordinator			\$57,750.00	Rp 789,545,255.20
12. Project Secretary			\$21,450.00	Rp 293,480,850.00
13. Finacial Staff			\$0.00	Rp -
14. Technician			\$4,455.00	Rp 60,984,165.00
15. International Consultant			\$0.00	Rp -
16. National Consultant			\$17,650.00	Rp 249,222,167.67
17. Field Supervisor			\$13,200.00	Rp 180,603,600.00
18. National Expert			\$2,650.00	Rp 37,927,450.00
19. Component Total:			\$117,155.01	Rp 1,611,763,487.87
20. Sub-contracts			\$157,732.56	
21. Sub-contract 1 (Planting)				
- Planting			\$49,894.28	Rp 646,554,156.70
- Seed procurement			\$1,381.39	Rp 19,450,000.00
- Growth monitoring (a)			\$0.00	Rp -
- Yield monitoring (b)			\$0.00	Rp -
- Maintenance ( c )			\$0.00	Rp -
- Demplots assessment (d)			\$0.00	Rp -
22. Sub-contract 2 (Specialist)			\$0.00	Rp -
- Sub contract 2A			\$0.00	Rp -
- Sub contract 2B			\$1,820.75	Rp 26,974,350.00
- Sub contract 2C			\$0.00	Rp -
- Sub contract 2D			\$0.00	Rp -
23. Sub-contract 3 (Dialogue)			\$35,864.55	Rp 515,249,750.00
24. Sub-contract 4 (Training)			\$0.00	Rp -
- Planting			\$28,287.01	Rp 398,281,110.00
- Harvesting			\$21,143.57	Rp 298,144,000.00
- Honeybee training			\$12,000.00	Rp 177,780,000.00
25. Sub-contract 5 (Cooperative)			\$0.00	Rp -
26. Sub-contract 6 (Workshop)			\$7,341.00	Rp 99,037,410.00
27. Sub-contract 7 (Wood properties)			\$0.00	Rp -
29. Component Total:			\$157,732.56	Rp 2,181,470,776.70
30. Travel			\$33,650.56	
31. Daily Subsistence Allowance				
31.1 DSA International Consultant(s)			\$9,495.20	Rp 135,777,748.00
31.2 DSA National Consultant(s)			\$1,260.00	Rp 16,998,660.00
31.3 DSA Monev			\$5,100.96	Rp 67,192,130.00
31.4 DSA National Expert			\$490.00	Rp 7,081,970.00

32. Air Ticket			\$0.00	Rp	-
32.1 International Expert(s)/Consultant(s)			\$1,050.31	Rp	14,788,400.00
32.2 Air Ticket			\$8,951.62	Rp	120,178,123.60
33. Local Transport Costs			\$7,302.47	Rp	98,846,455.00
39. Component Total:			\$33,650.56	Rp	460,863,486.60
40. Capital Items			\$1,942.92		
41. IT Devices (PC, Printer, etc)			\$1,942.92	Rp	26,211,883.00
49. Component Total:			\$1,942.92	Rp	26,211,883.00
50. Consumable Items			\$4,545.56		
51. Consumables			\$4,545.56	Rp	60,431,600.00
52. Document, material			\$0.00	Rp	-
53. Sundries			\$0.00	Rp	-
54. Utilities			\$0.00	Rp	-
55. Office space and facilities			\$0.00	Rp	-
59. Component Total:			\$4,545.56	Rp	60,431,600.00
60. Miscellaneous			\$13,530.71		
61. Meeting			\$5,421.05	Rp	75,842,705.00
62. Rental Provider			\$623.35	Rp	9,000,000.00
63. Report Printing			\$1,483.73	Rp	20,890,867.00
64. PSC/PTC Meeting			\$3,002.59	Rp	42,274,419.00
65. Financial Audit			\$3,000.00	Rp	42,852,000.00
66. Demplot handling over					
a. Technical meetings			\$0.00	Rp	-
b. Field checking with concerned parties			\$0.00	Rp	-
c. Development of handing over documents and official signing			\$0.00	Rp	-
69. Component Total:			\$13,530.71	Rp	190,859,991.00
70. National Management Costs			\$0.00		
71. Executing Agency Management Costs					
72. Focal Point Monitoring					
79. Component Total:			\$0.00		
Total Expenditures To-date:			\$328,557.32	Rp	4,531,601,225.17
Bank Administration & Tax USD			\$93.07	Rp	796,002.91
Bank Administration & Tax IDR			\$258.27	Rp	3,941,963.00
Remaining Balance of Funds (A-B):			\$72,479.60		

Notes: (1) Amounts in U.S. dollars are converted using the average rate of exchange when funds were received by the Executing Agency  
(2) Total Expenditures To-date (in local currency) should be the same as amount shown in Sub-Total of column (C) of the Financial Statement.