

Darwin Initiative

Half Year Report (due 31 October each year)

Project Ref. No.	162-14-057
Project Title	Conserving Coral Reefs Through Community Ownership and Enterprise in Indonesia
Country(ies)	Indonesia, UK
UK Organisation	LEAD International
Collaborator(s)	LEAD Indonesia
Report date	31 October 2006
Report No. (HYR 1/2/3/4)	HYR2
Project website	http://www.lead.org/page/139

1. Outline progress over the last 6 months (April – September) against the agreed baseline timetable for the project (if your project has started less than 6 months ago, please report on the period since start up).

Project activities are on track. Key activities started according to the revised project timeline (approved after Year 1), however some of the completion dates need to be slightly extended through end of December 2006.

A. Community Fishery Enterprise – Business Development Training

Members of the community enterprise have participated in a series of training workshops on the following topics of enterprise development: (1) “Basic Knowledge on Micro Finance Institution” and (2) “Managing Micro Finance Institution (MFI)” which deepened their understanding of marketing, targeting the market segment, analysis of financing, credit administration, legal aspect, basic accountancy, and monitoring. The next training on ‘Writing Credit Proposal’ and ‘Market Match’ focuses on the connection of business and micro finance institution and the supply-chain management of ornamental fish business. The strategy aims to develop a community enterprise that links the cooperative, selected suppliers (middle man) and exporters, supported by micro finance institutions to ensure its sustainability. This scheme is expected to promote green business and fair trade of ornamental fish in support of sustainable fishery.

B. Research: Socio-Economic Profile and Ecological Carrying Capacity

The ecological carrying capacity assessment conducted in Pejarakan, Sumber Kima and Panyabangan in 2005 served the basis of the 2006 research which engaged the local community. This type of social investment is critical for the exit strategy as it ensures that the community is able to monitor its natural resources long after the project is completed. Involving the local fishermen community (‘lembaga pengelola’) Reef Check experts - with the support from LEAD - conducted a series of trainings on coastal and fishery utilization mapping and monitoring (Manta-Tow method) in Pejarakan, Sumber Kima and Panyabangan. The results indicate that there are various types of overlaps in marine resource use that lead to overuse and destruction of coral reefs. Future activities keep engaging the local community in developing a more sustainable coastal resources management based on ecological assessment.

The first phase of the socio economic profile of Buleleng was conducted in 2005. The second phase is planned to be completed in December 2006, after the last workshop of the enterprise training. The research will support the ornamental fish business at the community level by including income profile of fishermen families, analysis of existing networks of coral fish trading in the area (community enterprise and the supply chain), and exploring the potential of growing the enterprise in a more sustainable ways. The second phase of the research also aims at identifying actions to increase fishermen’s income and reduce the pressures on the coral reefs. Potential buyers have already been identified (e.g. in Singapore) who are interested in investing in green business and fair trade of ornamental coral reefs fish.

C. Policy Advocacy

Significant progress has been made since the first multi-stakeholder meeting took place in October 2005 when local government officials showed willingness to co-develop policies of marine resource management of Buleleng district with the local communities. A policy intervention related to fishery trade has been explored through several studies and dialogues with local decision makers. For the first time the local community was able to discuss their issues with local decision makers. 'Pilang', the local NGO has been trained to lead the negotiations with key decision makers. An intervention related to the bill of "permits for fishery business" (IUP) has been made where community members and LEAD addressed the importance of sustainable fishery management. The local government considered several recommendations put forward by the local community and LEAD. Two villages have proceeded with their first draft of the deeds and the management of "badan pengelola" or community based marine resources management organisation (CBRM). Local CBRMs can be the leading institutions that manage marine resources at the village level, and able to consult with the local government in support of sustainable marine resource management.

D. Training of Trainers to promote 'Sustainable Marine and Coastal Livelihood in Kabupaten Buleleng'

Postponed from Year 1, a series of seven training of trainers (TOT) workshops featuring five two-day modules took place from June through October. 27-50 representatives of village government, local government, NGO "Pilang", and local marine & coastal management multi-stakeholder organisations participated in the first four modules:

- 1) "Toward Sustainable Coastal and Marine Livelihood" conducted on June 21-22; 23-24, 2006; a total of 50 participants;
- 2) "Sustainable Resources Management" conducted on July 26-27, 28-29, 2006; a total of 35 participants;
- 3) "Negotiations and Decision Making" conducted on August 25-26, 2006; 27 participants,
- 4) "Organizational Management" conducted on October 6-7, 2006; 33 participants.

12 core trainers ('facilitator inti') were selected to attend the fifth module (August 21-22) which focussed on training methodologies. Participants gained knowledge on sustainable development, ecological carrying capacity, policies needed for sustainable fishery, and acquired skills to articulate and address their problems through collaborative leadership and partnership.

TOT participants are expected to disseminate their knowledge and skills about sustainable marine and coastal management in their respective communities or institutions.

2. Give details of any notable problems or unexpected developments that the project has encountered over the last 6 months. Explain what impact these could have on the project and whether the changes will affect the budget and timetable of project activities.

The completion of the second phase of the socio economic research needs to be timed carefully. Informal meetings, observation, and individual conversation should take place before the research can be designed in the most appropriate way. The community enterprise training needs to be completed first to get a good sense of what kind of research is needed to support the enterprise development. The first findings show a need to articulate the income profile of fishermen families, characterise the network of coral reef fish markets, analyse the dependency of fishermen families on the middle men, and explore new business schemes. These elements of the research can only start in November 2006, after the completion of the enterprise training and the long holiday observed in the country.

The completion of the second ecological carrying capacity research requires slight extension due to revised – improved - design. Reef Check, one of LEAD's project partners, have been contracted to conduct the research. In the revised scheme, not only Reef Check but community members are also involved in the research so they can also learn to monitor their own marine resources. This type of investment takes longer research time, it is a gradual process but in the long run it develops local capacities for sustainable resource management. Therefore, the schedule to complete the research needs to be extended from July 2006 (as to be completed) into November 2006. Training and research activities took place in two sites in August and September 2006.

The recruitment of the new Field Coordinator was a slower than expected due to limited candidates available. The newly Field Coordinator is currently serving her probation period up to 31 October 2006.

Have any of these issues been discussed with the Darwin Secretariat and if so, have changes been made to the original agreement?

No, the issues above have not been discussed with the Darwin Secretariat yet but will be addressed in a separate communication in early November 2006.

Discussed with the DI Secretariat: Not yet **no/yes, in..... (month/yr)**

Changes to the project schedule/workplan: Yes **no/yes, in November 2006 (month/yr)**

3. Are there any other issues you wish to raise relating to the project or to Darwin's management, monitoring, or financial procedures?

Suggestions about the community enterprise training design and strategic policy intervention will be addressed in a separate communication.

If you were asked to provide a response to this year's annual report review with your next half year report, please attach your response to this document.

Please note: Any planned modifications to your project schedule/workplan or budget should not be discussed in this report but raised with the Darwin Secretariat directly.

Please send your **completed form by 31 October each year per email** to Stefanie Halfmann, Darwin Initiative M&E Programme, stefanie.halfmann@ed.ac.uk . The report should be between 1-2 pages maximum. **Please state your project reference number in the header of your email message.**