

## **Summary of Contract under TNC's Norad REDD+ In Practice Grant**

**Title:** Making Responsible Indonesian Natural Forest Managers Financially Sustainable: East Kalimantan Prototype (AP/JAKARTA/BBEE062218)

**Value:** US \$70,000.00 (~NOK 576,000)

**Name of Contractor:** Brown Brothers Energy and Environment

**Nationality:** USA

**Summary:** Under the Norad "Redd+ In Practice" grant (GLO-4251 QZA-16/0172), The Nature Conservancy has entered into a contract with Brown Brothers Energy and Environment to undertake work in East Kalimantan, Indonesia, related to TNC's ongoing efforts to identify financially sustainable business models to keep responsibly operated logging concessions in business and deliver replicable models in other regions of Indonesia and the world.

Specific activities of the contract include:

- Workstream 1: Operational and financial feasibility assessment of wood waste processing for wood pellet export as an additional revenue stream for forest concessions.
- Workstream 1(a): Contingent on the outcome of workstream 1, transform the feasibility study into a business and investment plan to be used by TNC to raise support and funding of this solution.
- Workstream 1(b): Contingent on the outcome of workstream 1, evaluate the options for East Kalimantan KPHs to participate in the supply chain including the capability of each KPH to fill those roles
- Workstream 2: Identify reasons for pricing anomaly previously identified (i.e. log prices paid to independent FSC-certified natural forest concessions are below global market prices) through value chain mapping and potential solutions.

Specific deliverables of the contract include:

- A narrative report and financial model with findings and conclusions.
- Business and Investment Plan
- KPH Assessment and Recommendation.
- Value chain analysis and recommendations.