

Reassessing Indonesia's Forest Governance:

THE ROAD TO IMPROVEMENT

Executive Summary: The 2015 Forest Assessment Governance Results

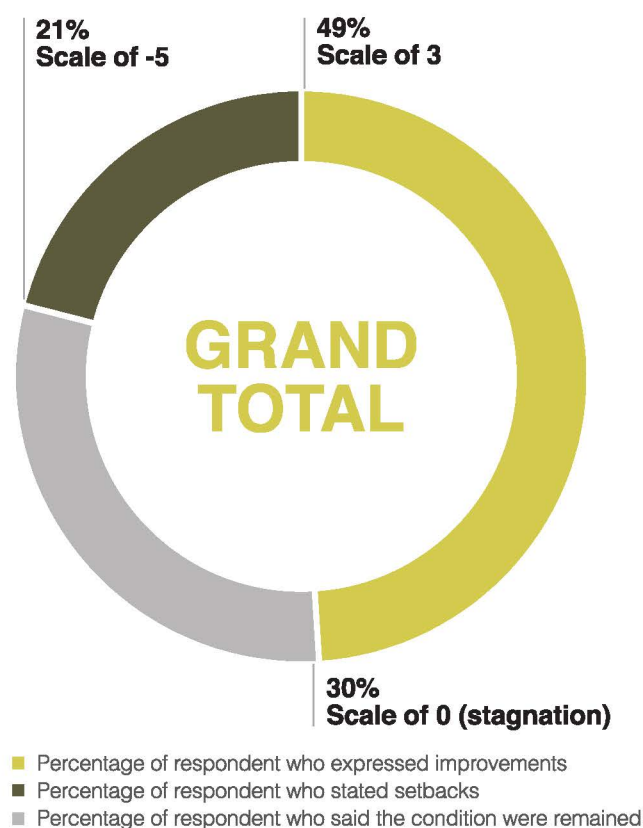
The forest governance assessment seeks to assess de facto field conditions, based on public views (outcome), which are usually different from the plan and performance of the government (based on output per work unit). This study could serve as a public control instrument on forest governance and a material for forest governance reform which is currently undertaken by the government.

The review was prepared with the understanding that the policy and implementation of natural resource management particularly associated with forest and land in 2015 has not changed much compared to the condition in 2014. This, among other things, is caused by cabinet reshuffle as well as organizational changes in Ministry or Agency, delays in the disbursement of the national or local government budget that directly slowed down the implementation of government programs, as well as forest and land fires for nearly four months which shifted the attentions of the government, business community and society.

The respondents of this study comprised groups and individuals who were selected for having knowledge, or having experienced events which served as the basis of this governance assessment. Interviews were conducted to obtain the opinions of the business community, the public and civil society organizations. Focus group discussions (FGD) were also conducted with community groups, businesses, civil society organizations, academia and government who

were members of the National Forestry Council (DKN).

49% of respondents said that the 2015 forest governance condition has improved, 30% were of the opinion that the condition remained the same, 21% believed the condition experienced a setback.



Overall, the respondents saw improvements in forest governance in 2015 compared to 2014. Despite the progress, the respondents gave a score of 2.9 on a scale of 1 (progressive) to 10 (highly progressive) on the progress of forest governance improvement in 2015. This means that the progress made was not significant, marked with a value of 2.9. In other words, considerable efforts still need to be undertaken. This can be illustrated by the relatively high number of respondents who said that the condition was stagnant and deteriorating, with a score of -5 on a scale of -1 (regression) to -10 (extreme regression).

Of the four aspects that make up an ideal forest governance condition, equity over forest resources indicated the most significant progress. Of all respondents, 62% percent were of the opinion that the management and allocation of forest resources improved compared to 2014. The respondents gave a score of 3.0 on a scale of 1 (progressive) to 10 (highly progressive).

The second highest rank is transparency of forest management. Of all respondents, 50% percent stated that there was progress with a score of 2.8 on a scale of 1 (progressive) to 10 (highly progressive). The respondents found positive changes in the handling of high transaction costs in licensing matters. The third rank is the law enforcement aspect. Of all respondents, 47 percent said that there was a change and they gave a score of 2.4 on a scale of 1 to 10. The last rank is certainty of forest area. Of all respondents, 33 percent said that there was progress and they gave a score of 3.2 on a scale of 1 to 10.

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The views of the respondents also corresponded with the data on the implementation of the National Movement to Save Natural Resources (GN-PSDA) coordinated by the Anti-Corruption Commission (KPK). The provincial average which served as a target of the GN-PSDA per island was in negative category with an overall score of -0.5. In other words, all the provinces had not implemented the action plan to improve forest governance. This is indicated by the fact that none got a score above zero (0) let alone a score of one (1). A score above zero to one means that the target province implemented all of the priorities of its action plan.

The result of assessment on the level of compliance of each priority province showed the same trend as the respondents' views on the condition of forest governance in 2015. Each shows that efforts to improve forest governance have not run smoothly and changes that occurred do not have a significant impact. The tabulation shows the implementation of the action plan for tenurial conflict settlement has the least implementation, followed simultaneously by forest gazettement completion, expansion of community management areas and anti-corruption control system. However, improvements in fact occurred in licensing management.

The results of the forest governance assessment indicate compliance with regulations, capacity and outcomes expected by the general public, as well as forest conservation efforts, in terms of forest governance aspects. **The first aspect**, the management of forest areas, still has weaknesses in data integration/one map, the handling of claims/conflict in forest areas, as well as overlapping use of forest/land. Compared to 2014, the conditions in 2015 were better due to new policies at the central level, although field performance has not shown major improvements.

Second, the licensing aspect has shown improvements, although still limited to license application at the central level. Licensing transaction costs still burden businesses, especially those related to charges for transportation of forest products in the field, donations to the local government, endorsement of various working documents, technical personnel and monitoring process.

Third, the aspect of equity on the utilization of forest resources in 2014 has weaknesses on the licensing work mechanism which caused inequality/injustice in the allocation of benefits,

lack of CSO capacity in facilitation, as well as limited SOPs and conflict resolution practice. In 2015, there was a political commitment on the rights and access of local/indigenous communities to forest utilization and this commitment gave high hopes to all parties.

Fourth, the transparency of natural resource management is still hindered by high cost transaction in spite of efforts to improve the regulation and to set up one stop licensing services at several regions. The President emphasized the importance of this aspect through Presidential Instruction No. 7/2015 on Corruption Prevention and Eradication but there was no tangible results. However, in 2015, there were policy making and information transparencies which were responded positively by the public.

Fifth, the law enforcement aspect still has the problem of inadequate forest protection (rangers to forest area ratio) as well as weak implementation of the Multi-door Approach. However, the readiness of CSOs in monitoring corruption and other violations of law began to be felt in 2015. Systematic improvements have begun and will be more meaningful if the government and stakeholders enhance a number of action plans to strengthen forest governance with the following points in mind:

- Reviewing program objectives to set priority programs which have strong leverage and to lay systematic improvements for forest governance in the future. This program will serve as one of the basis for determining the amount of budget allocation. This is in line with the directives of the President in a cabinet meeting, "money follows program" and no longer rely on the approach "money follows functions."
- To reduce the gap of forest resources utilization between the community and businesses, the government needs to change its licensing approach from passively waiting for community groups to file an application to a proactive, creative and integrated approach. The government should make an assessment based on secondary data, field visits and facilitation before licenses are granted to community groups.
- Through licensing reform in the forestry sector, the government is expected to prepare areas which are ready to use, comply with environmental requirements, do not overlap

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with community areas and are economically profitable. In addition, the EIA study and the licensing administrative requirements should be performed by the government so that businesses do not need to apply for licenses. The government, then, could conduct a study of the most viable businesses which could provide the most benefits to the state and the community.

- Compliance of businesses to their obligations as license holders needs to be assessed on a regular basis. The follow-up of the results of the assessment should be closely monitored, including imposing sanctions and enforcing criminal as well as civil laws if there are criminal offenses.
- Policies or rules that are too rigid and inhibit innovations need to be reviewed based on the principles of good governance.



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United Nations Development Programme
Menara Thamrin Building 8-9th Floor
Jl. MH. Thamrin, Kav.3
Jakarta, Indonesia 10250

Phone: +62-21-3141308
Website: www.id.undp.org