

Power Struggle over Indonesia's Forestland: the Role of Stakeholder Engagement¹

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Abstract

Forest decentralization policies in Indonesia continue to face challenges despite improvements in the legal basis and institutional arrangements. One critical issue relates to increased demands by local governments for the conversion of forestland, including production, protection and even conservation areas, into areas used for non-forestry purposes to support local development and secure local livelihoods. The Ministry of Forestry, with its exclusive power over the country's forestland, enters into difficult negotiations with most of the local governments that are granted extensive authority for many government affairs under decentralization. Drawing particularly on research in two districts in Jambi Province, and similar cases from other provinces, the paper describes how parties use their power and resources in the struggle for control of land designated as forestland, and how local people who are affected by the authorities' decisions make collective efforts to secure their rights to land. This trend to convert forestland appears to contradict the country's commitment to anticipate climate change and reduce emissions by maintaining intact forests. The paper highlights the roles of facilitated stakeholder engagement and collective action among local people in building shared understanding of disputed issues and identifying opportunities for consensus.

Keywords: *decentralization, power struggle, forestland use*

Background

Governance has been a central problem in Indonesia for decades, but its centrality became even more apparent after the fall of President Soeharto in 1998. Whereas previously the country had been held together by a strong dictatorship, supported by military might, Soeharto's abdication marked the beginning of a period of transition. As in many other countries throughout the world at that time (Capistrano and Colfer 2005), in 1999 Indonesia initiated decentralization experiments that included efforts towards decentralized forest or timber management⁴. Extensive authority for day-to-day governance was devolved to the district level, and in the forestry sector the situation was typified by district heads racing to issue large numbers of small-scale logging concessions and make use of forest resources as their main source of district income. However, concerns over adverse impacts on sustainable resources, community livelihoods and stakeholder relations led central government to rescind the district heads' authority (Barr *et al.* 2006; Dermawan *et al.* 2006; Yasmi *et al.* 2006; Moeliono *et al.* in preparation). Pressures on and threats to forests have not been limited to production forests, from which lucrative income can be sourced, but have also extended to protected areas such as national parks, nature reserves and protection forests. In many cases, these areas have been encroached upon by local people, are vulnerable to moves by the local elite to exploit them for financial gain (see Moeliono and Purwanto in preparation) and have also been subject to regional development⁵.

Further to the withdrawal of district-level authority, a power struggle developed between local and central government, particularly the Ministry of Forestry; this included the defence of their respective authority over forests, based on prevailing – but often contradictory – laws and regulations. Drawing on case studies made in several districts, a team from the Center for International Forestry Research (CIFOR) undertook research on decentralization and forests and documented tugs-of-war between the two parties over authority for forests (McCarthy 2001; Resosudarmo 2003; Samsu *et al.* 2005; Yasmi *et al.* 2005). Apart from insisting on the issuance of logging permits, most local governments took steps to revisit their own land-use plans despite the legal requirement to make reference to higher level provincial and national land-use plans.

To rectify the weaknesses of decentralization and forestry regulations, in 2004 central government issued a new law on local governance clarifying the major divisions of authority for many governmental functions, including forestry management. This law also rebuilt the links between levels of governance missing from earlier decentralization frameworks by reinstating the hierarchical relationships and appointing the head of the provincial government to act as coordinator. However, despite these improvements in the legal basis and institutional arrangements, the forestry sector continues to face challenges. While the Ministry of Forestry's excessive control over forests has been criticized for slowing local development, it is also worrying to see the district governments' move to enforce their desire to convert forests without considering the balance between economic, social and environmental concerns. Based on a calculation made by Greenomics Indonesia⁶, the conversion of forestland for other land uses has inflicted both direct and indirect losses on the state of an estimated US\$ 18.19 billion and US\$ 34.27 billion, respectively.

This paper focuses on the increased demands by local governments to advance local development and on what is driving their attempts to revise their land-use plans, which have implications for the conversion of forestland. It describes the negotiations taking place between the local governments and the Ministry of Forestry, which has exclusive power over the country's forestland. Drawing particularly on case studies in two districts in Jambi Province, the paper discusses the arguments used by both parties and the implications of regional land-use and forest planning for local people, i.e. conflicts over land. The paper concludes with lessons learnt and recommended options resulting from CIFOR research that engaged with stakeholders involved in disputes in their attempts to seek mutually agreed solutions.

Indonesian forestland: a contested issue

Official state forests cover 120.35 million ha or 60% of the land mass of Indonesia; in accordance with their function they are classified into protection forests (33.5 million ha), conservation areas (20.5 million ha) and production forests (66.35 million ha). The forests generate an average of US\$ 12 bn in revenues from pulp and paper alone (Spek 2000 quoted in Barr *et al.* 2006), and provide an estimated 20 to 30 million Indonesians with some or all of their livelihood (Fay and Sirait 1999).

There has been widespread deforestation in Indonesia, and FAO (2007) estimated an average of 1.8 million ha of forest lost every year. This has been due to factors such as changes in land-use plans, illegal logging, encroachment and forest fires – which are also linked to weak law enforcement, poverty, and the imbalance between supply and demand for forest products, in particular timber. The high degree of deforestation not only has environmental consequences at the national and global levels, such as its contribution to climate change, but often negatively affects the livelihoods of local people as they are marginalized in favour of large-scale oil palm or timber estate companies. It is therefore critical that forestry be integrated with tenure and planning issues.

The increasing international concern about deforestation, peatland degradation, forest fires and land use changes in Indonesia has put the country among the world's top three greatest emitters of greenhouse gases. The emissions resulting from deforestation and forest fires are five times those from non-forestry emissions (PEACE 2007). This is due largely to the significant release of carbon dioxide from deforestation. Total annual emissions in Indonesia from energy, agriculture and waste are c. 451 million tons of carbon dioxide equivalent (MtCO₂e). Yet land-use change and forestry alone are estimated to release about 2563 MtCO₂e, mostly from deforestation, as estimated by the IPCC (Baumert *et al.* 2005). The Government of Indonesia is facing the increasingly complex issues of environmental degradation, in particular the impacts and policy constraints involved in coping with climate change.

All Indonesia's forestland is controlled by central government, however the Ministry of Forestry's exclusive power to control forests has been contested. Contreras-Hermosilla and Fay (2006) challenged the 'ownership' of forestland by the Ministry, which contradicts the 1960 Agrarian Law: 'the state institution [in this case, the National Land Agency] is responsible for administering all forms of control over land'. They also argued that of the 120 million ha of forestland c. 30 million ha are not covered by forests, and the Ministry has been able to legalize or gazette only 10% of the total.

Land-use plans, regional autonomy and implications for forestland

Regional land-use plans are prepared as guidelines for provincial and district governments in planning long-term regional development and as vessels for central, provincial and district government, private sector and community interests. An objective for all stakeholders to aim for is the well attuned and optimum utilization of space with a balance between regional growth, development needs and environmental carrying capacity.

In essence, regional autonomy is aimed at pushing local governments towards self-sufficiency in developing their regional potential. Local governments face profound challenges in spatial planning as rapid population growth and agricultural sector development, in particular, place substantial demands on land. Although Law 22/1999 regarding Local Governance devolved a large part of the government's authority to the

regions, its implementing regulation, Government Regulation 24/2000, still allows the Ministry of Forestry great power and authority to designate the status, boundaries and functions of forestland.

Regional development, coupled with increased population, has significantly changed the pattern and scale of land use, characterized by an increase in the number and varied interests of parties involved. While authority for forestry is limited as described above, the extensive authority granted by the law to local governments for dealing with other government affairs has encouraged them to exercise their control over forestland. With the assistance of the provincial governments, district governments have taken the initiative to amend already agreed land-use plans, and proposed to the Ministry of Forestry that it change the status of forestland to areas for non-forestry purposes.

District government proposals for forest conversion: two case studies in Jambi Province

CIFOR undertook research in the central Sumatran province of Jambi. Jambi covers an area of 5.1 million ha, 43% of which is categorized as state-owned forestland (Anonymous 1999). The forestland is designated for a range of forest functions, and two categories are of particular interest: nature reserve and protection forest (870,250 ha) and production forest (1,309,190 ha). Between 1990 and 2000 forest cover in Jambi decreased from 2.4 million to 1.4 million ha (Taher 2005). In 2002, Jambi's forests were estimated to cover 1.38 million ha or 27% of the total province. Jambi's growing population is highly dependent on natural resources, and an estimated 75% of its rural people live below the official poverty line.

The CIFOR team conducted its research and facilitated stakeholder interactions in two districts in Jambi, Bungo and West Tanjung Jabung (see Figure 1).

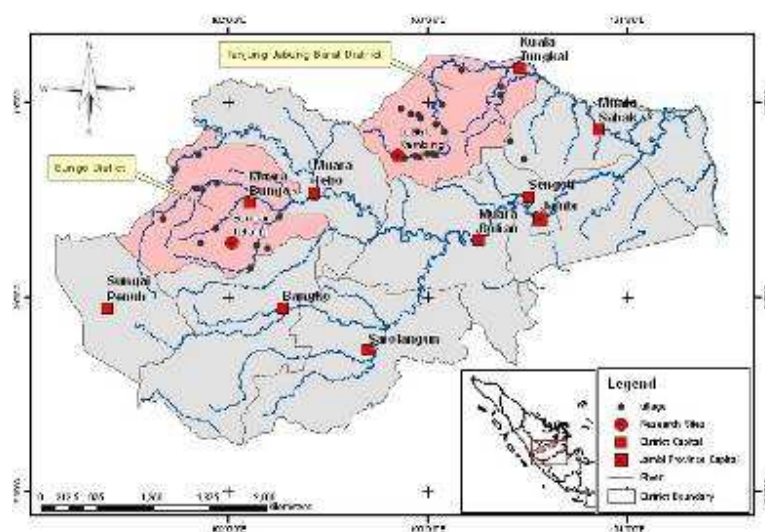


Figure 1. Research sites in Bungo and West Tanjung Jabung Districts, Jambi Province

Bungo District has a total area of 716,000 ha, 162,447.40 ha (22.7%) of which is state forestland that includes Kerinci Seblat National Park, covering 71,179 ha, Pematang Panjang Rantau Bayur Protection Forest – 13,529.40 ha, Production Forest – 75,719 ha, Batu Kerbau Customary Forest – 1220 ha and Baru Pelepat Customary Forest – 780 ha. The total area of West Tanjung Jabung is 550,351 ha, with c. 252,831 ha (45.9%) being forestland. As shown in Table 1, according to the 2001 Land-use Plan, the total area of forestland in West Tanjung Jabung was almost the same as the area allocated for agriculture. In 2004, the area of forestland had declined by 16,211 ha. In contrast, the size of the area allocated for agriculture and non-agricultural areas had increased to 313,731 ha.

Table 1. Land uses in West Tanjung Jabung District, Jambi Province. See the figures in Table 2 for comparison.

Land Use	2001		2004	
	Area (ha)	%	Area (ha)	%
<i>Permanent Production Forest</i>	182.092	33.09	165.358	30.04
<i>Limited Production Forest</i>	41.955	7.61	45.559	8.28
<i>Peat Protection Forest</i>	16.056	2.92	15.965	2.90
<i>Pantai Timur Nature Reserve</i>	85.000	0.02	88.000	0.02
<i>Bukit Tiga Puluh National Park</i>	12.643	2.30	9.650	1.75
Total forestland	252.831	45.94	236.620	42.99
Agricultural cultivation	228.664	41.55	244.875	44.49
Settlements/buildings (non-agricultural)	68.856	12.51	68.856	12.52
Total agricultural and non-agricultural cultivation	297.520	54.06	313.731	57.01

Source: Spatial development plans (RTRW), West Tanjung Jabung District 2001; West Tanjung Jabung District Forestry and Estate Crops Office 2004.

Forest cover in Bungo District has undergone drastic change, declining from 43% to 31% of total district area between 1990 and 2002. Unclear, 'open access' status, among other factors (Hadi *et al.* 2007), contributes to this ongoing degradation. Other statistics indicate that forests in West Tanjung Jabung have been logged and converted, and forest cover has declined by almost 40% in the last 20 years (Sudirman *et al.* 2005; CIFOR unpublished data). About half of the remaining forest lies within protected areas.

The CIFOR team catalyzed community groups in two villages, Sungai Telang in Bungo and Lubuk Kambing in West Tanjung Jabung, who were struggling to secure property rights over their land. The local people have relatively strong kinship ties, medium levels of conflict between villagers and outside actors, and high levels of poverty, and are located close to a national park and forestland (2–10 km). For more detail, see Komarudin *et al.* 2007.

Problems encountered in the two districts included local people's demands for farming land to generate income⁷. In Sungai Telang, for instance, the villagers had begun

clearing land in protection forests, and the entry of newcomers through a transmigration programme had led to land conflicts with native people. In Lubuk Kambing, land conflicts had broken out between villagers and a large-scale forestry company. Some oil palm companies had also begun to expand their estates.

Spurred on by the need to boost local development coupled with problems relating to land conflicts and unclear property rights over natural resources, the district governments of Bungo and West Tanjung Jabung revisited their land-use plans. They, and nine other districts in Jambi Province, proposed to the Ministry of Forestry that the status of two areas of forestland, of 24,280 ha and 46,185 ha⁸, be changed, mostly from production forests to areas for other land uses. The district governments faced a dilemma: there were urgent demands to optimize land use in the interests of regional development and they wanted to make an effort to provide secure property rights over land for local people, but authority for forestland is held exclusively by the Ministry of Forestry. Once the district government's proposals were approved, they would be free to control the land.

With the help of the Jambi Provincial Bappeda (a province-level agency responsible for planning and development), the two district governments revised their land-use plans and submitted their proposals for forest conversion. Table 2 illustrates current land use and the district government's proposed land use in West Tanjung Jabung District.

Table 2. Land use in West Tanjung Jabung District, before and after approval of the forest conversion proposal

Land use	Before proposal		After proposal approval	
	Area (ha)	%	Area (ha)	%
West Tanjung Jabung District	498,425.3		498,425.3	
<i>Bukit Tiga Puluh National Park</i>	9,900			
<i>Peat Protection Forest</i>	21,494			
<i>Permanent Production Forest</i>	177,300			
<i>Limited Production Forest</i>	45,650			
<i>Grand Forest Park</i>	3,000			
All state forests	257,344.0	51.6	211,159.0	42.4
Agricultural and non-agricultural cultivation regions	241,081.3	48.4	287,266.3	57.6

As shown in Table 2, forestland in West Tanjung Jabung District covers 51.6% of the total area of the district. As most forestland is no longer covered with trees, the District Government of West Tanjung Jabung argued that this forestland has in fact been occupied by local people's farms, rubber, oil palm and other crops, and settlements. A district official also argued that if their proposals for conversion were approved, forestland in the district would fall from 51.6% to 42.4% of the total area, an area still higher than that stipulated in the Forestry Law. The law requires that a region should maintain a minimum 30% of forestland in its land/watershed. Another argument revolves around the need to make abandoned forestland more productive by planting more productive commodities such as rubber or oil palm.

In the case of Bungo District, the district government proposed a change in the functions of 24,000 ha of forestland to different land-use types. Locations, areas, current and proposed status of forestland and other land-use types in Bungo District are shown in Table 3. While the arguments used are mostly the same as those used in the case of West Tanjung Jabung, it is interesting to question a Bungo District official's arguments for the need to provide secure land rights for the local people. As shown in the table, some local people's farms are surrounded by large-scale plantation industries. Once the proposal is approved, the district government will have to make a strategic decision about whether to make use of the land to develop large-scale palm oil plantations that would generate district income or to provide the land for local livelihoods.

Table 3. Location, area, current and proposed status of forestland and other land-use types in Bungo District

Location	Area (ha)	Current status	Change proposed	Condition
Batang Uleh	1,330	Production Forest	Agricultural Area	Farming land, community rubber plantation, oil palm estate
Batang Uleh	1,200	Production Forest	Area for Other Uses (APL)	Rubber plantation and community farming land between private plantations
Batang Uleh (Pauh Agung and Tuo Lubuk Mengkuang villages)	5,500	Production Forest	Area for Other Uses (APL)	Rubber plantation and community farming land between private plantations
Batang Uleh (Renah	3,000	Production Forest	Area for Other Uses (APL)	Rubber plantation and community farming land

Sungai Ipuh and Rantau Tipu villages)				between private plantations
Kemarau	1,850	Production Forest Area for Other Uses (APL)	Area for Other Uses (APL)	Rubber plantation and community farming land between private plantations
Rantau Pandan Subdistrict	1,400	Other Uses (APL)	Production Forest	Scrub land with many species of trees still present
Merangin	10,000	Production Forest	Protection Forest	The region has a steep gradient and plays a role in maintaining hydrology
Total area	24,280			

In addition to the arguments outlined above, other factors are believed to drive local governments to revise their land-use plans. The Provincial Government of Jambi, which coordinated the proposals for the two districts and negotiated with the Ministry of Forestry, presented various issues considered to have affected its own original land-use plans, urging the Ministry to revise the plans. First, it argued that at least until 1993 the designation of forestland through a Forest Land Use By Consensus scheme and *Peta Paduserasi* (a scheme harmonizing Forest Land Use by Consensus and provincial spatial development plans) had been inclined to follow a top-down mechanism, taking less account of local aspirations, and to disregard the real conditions in the field. Second, during the period 1993–2002 development in the forestry sector, as shown by the expansion of large-scale industrial forest plantations, had to some extent affected land utilization at the provincial level.

Third, central government policies concerning de-bureaucratization and deregulation have driven the issuance of permits for infrastructure and private sector business operations at the local level. This has led to the emergence of large-scale estate plantations and, among other things, has encouraged local people to take an active part in attempts to further expand the use of land for agriculture, including encroaching into forests. There have also been changes in production forest functions with their conversion to land for agricultural purposes such growing estate crops and farming. Fourth, urgent policies intended to help the poor escape from poverty during the economic crisis of 1997–1998 have also intensified community-based economic schemes, creating in many regions agricultural production centres that have affected the existence of forestland, i.e. the use of forestland for agricultural crops.

Fifth, Law No 22/1999 Regarding Local Governance and its implementing regulation, Government Regulation No. 25/1999, which marked the beginning of 'big bang' decentralization in the country, have also had an influence on how land use has changed. The delegation to district heads of extensive authority for many governmental affairs, including the forestry sector, has resulted in a high number of local policies that affect land use, i.e. permits issued for the utilization of small-scale forestry and estate crops. The absence of hierarchical relationships and accountability mechanisms between district and provincial governments has forced district governments to take

their own decisions on district land uses without reference to provincial land-use plans. The legislation on decentralization has also boosted the creation of new regions, which has significantly affected land use in the original, larger districts from which they were created. The emergence of a new district is normally followed by a search for land that has the potential to generate income.

Sixth, international as well as regional agreements and policies concerning trade and investment such as the Asia-Pacific Economic Cooperation (APEC), ASEAN Free Trade Area (AFTA), Indonesia-Malaysia-Singapore Growth Triangle (IMS-GT) and Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) have attracted large foreign and domestic investment. The governments of the districts where investments are made allocate existing land for investors, and often have to expand and use land not originally planned for that purpose. Seventh, there was also a need to develop infrastructure such as roads and ports in order to support regional development. In the case of Jambi, the increased need to anticipate the potential regional markets and SIBAJO (Singapore, Batam and Johor) has changed the provincial land-use plan. The constructions of roads towards the east of the province and establishment of a large port at Muara Sabak have affected some forests. Eighth, land conflicts between local communities and large-scale industrial forest and oil palm plantations have also driven the need to revise the original land-use plans. Although on paper the land allocated to private companies appears to be clear and unambiguous, it has, in fact, often already been encroached upon and planted by local communities.

The Ministry of Forestry's standpoint on forest conversion

The Minister of Forestry⁹ stated that there was nothing wrong with the conversion of forests, changing the status of forestland to become areas for non-forestry purposes. Within the framework of Forest Land Use by Consensus and *Peta Paduserasi*, forestland areas categorized as Convertible Production Forests were to be allocated for agriculture, estate crops, transmigration and other uses¹⁰.

However, there is a tendency among local governments not to make the optimal use of allocated areas but instead to propose the conversion of protection forests, for instance, within their territory. It was found, for example, that in Riau Province there is about 990,000 ha of Convertible Production Forests, but the local government insisted on the conversion of protection forests into areas for non-forestry purposes¹¹. The high potential of timber in protection forests that would generate income, once the status of the forests has changed and the timber is harvested, might be one of the reasons why local governments preferred to convert to this type of use. Convertible Production Forest areas that are not used optimally are generally in critical condition. Official data for 2007 indicate that of 22.7 million ha of Convertible Production Forest land, only 10.7 million ha are adequately covered with trees; the remainder have been deforested.

It appears, from interviews with a high-ranking Ministry of Forestry official, that the Ministry expected that the Forest Land Use by Consensus/ *Peta Paduserasi* scheme would be used as a guidance for land-use development for many years. The official

claimed that the development of the scheme had been participative, involving all stakeholders including regional governments, in the hope that the scheme would result in 'permanent' forestland, which all stakeholders would respect. In fact, many local governments challenged this scheme much earlier than expected by, for example, proposing a change in forestland status and by issuing 'principle permits' for private sector actors to conduct their business operations, i.e. developing oil palm plantations.

The Ministry is of the opinion that while the law enables local governments to revise their land-use plans, the revision should accommodate the state's assets in the form of designated state forestland, the borders of which had been demarcated and designated as state forestland¹². Spatially planned regions are interconnected systems within an ecosystem, and therefore land use focusing on only one region can threaten the conservation of that ecosystem.

It was also argued that a decision on the approval of proposals for forestland conversion does not lie solely in the hands of the Ministry of Forestry. Law No. 41/1999¹³ states clearly that integrated research results and endorsement from the House of Representatives are necessary as the basis for determining changes in the allocation and function of state forestland. Ministerial Decree No. 70/2001¹⁴ further affirmed that such endorsement is needed when the likely changes in land use are strategic and have profound adverse effects on the environment on a broader scale.

A number of other issues emerged, one of which was that a proposal for a change in status should not be based only on whether or not a region still had any forest or had been occupied by local people. The urgent need for land, which was the reason for the proposal, is also linked to land-use patterns. It was feared that forest resources would be exhausted because these patterns tended to be extensive in nature, i.e. villagers clear new fields when those available are no longer sufficient. Meanwhile, a great deal of fallow land is still not being utilized.

Changes in the status of state forestland can be made by releasing Convertible Production Forests or by exchanging Non-forestry Development Areas with regions that have Convertible Production Forests. The ratios vary: a region of equal area must be provided in exchange for forestland that has had its status changed and is used for 'limited public interests'. An area twice its size should be provided if the state forestland is allocated for the development of strategic projects prioritized by the government, and three times the area must be provided if it is used for commercial interests. In relation to the proposals described above, the questions were: For what purpose would the forestland in Bungo District be allocated? How could the ratio issue (the linking of forest resources to land-use patterns) be dealt with under the proposed changes? and Are there any substitute areas in other districts?

A Ministry of Forestry official warned local governments about a new law (Law No. 26/2007 Regarding Land-use Management) stipulating more stringent rules and sanctions in the event of failure to follow a higher level of governance in developing local land-use plans. Those districts that fail to develop allocation land and evaluate the

implementation in an appropriate manner would be subject to sanctions. There was also a need to establish a common understanding of what 'land-use revision' actually means. While most local governments tend to propose substantial changes in land uses, the Ministry was of the opinion that 'revision' means a slight amendment or updating of what has happened to the land-use plans during the past five years. Drastic changes in land-use plans will lead to uncertainties, which may not be conducive to business and investment.

At the time of writing, it appears that the proposals submitted by West Tanjung Jabung and Bungo District Governments have not been approved by the Ministry of Forestry. The district governments were asked to meet a number of requirements before approval could be granted including provision of satellite images and up-to-date ground truthing of the forestland, community socio-economic data, and replacement land in other locations if the proposed conversion is approved.

Are local people's views and interests considered in the development of land-use plans?

One of the district governments' arguments for forestland conversion relates to the pressing need of local people to earn income to secure their livelihoods by making use of available land. In many areas, local people have in fact encroached on forestland, and some have started to grow more promising crops such as rubber and oil palm. Based on interviews with a district forestry official in West Tanjung Jabung, it was found that local people no longer wanted to grow rice as the income earned from it is small. They preferred to plant rubber trees from which they can obtain an income of US\$ 10.68 a day. The fact that people already occupied the forestland has presented a dilemma for West Tanjung Jabung District Government. As long as the control of forestland is entirely in the hands of central government, the local government finds hard to implement its mission to improve livelihoods, helping local people have legal access to land resources.

When negotiating with central government over forest conversion, district governments made use of pro-poor arguments, stating, 'the fact is that people already occupy the forestland and there is a need to secure local livelihoods'. While these arguments may be true in some cases, it is questionable whether they are genuinely rooted in the desire to maintain and secure property rights over land for local people. In terms of allocation, it is interesting to examine how the proposed forestland would be utilized. This is unclear from the latest revision of the spatial plan, and neither of the proposals submitted to the Ministry of Forestry explained how the forestland would be utilized, whether for strategic development, commercial interests or to secure local people's property rights. If they are currently agricultural fields or community vegetable gardens it is likely that the forestland in question – if the proposal is approved – would more sensibly be used to strengthen local property rights. In another case, forestland that is already occupied and proposed for conversion (e.g. c. 1,200 ha in Batang Uleh, see Table 3) lies directly between large-scale oil palm concessions. Once this area is approved for conversion, the National Land Agency will issue Business Utilization Rights for the areas concerned, and

local governments will therefore issue specific permits for private companies. Alternatively, although it is unusual, it is recognized that the areas concerned will become common property resources whereby local people utilize them collectively for sustainable income. However, spurred on by the need for locally generated income, it is strongly believed that the former methods of utilizing land would be more favoured by local government than the latter; this might be related to the extent to which local people's views and interests are considered in the development of the land-use plan.

The legal basis for public participation in the development of land use was laid down in Article 12 of Law 24/1992 and Government Regulation No. 69/1996, which clearly gave a mandate to take account of people's views and to recognize and respect the rights of people when a land-use plan is developed. According to Law 41/1999 Regarding Forestry, local people should also be informed of any plans for the use of their local forestland. Their concerns, views and inputs should be taken into account before a spatial plan is approved. Local people have the right to be involved in all the stages of development and may also raise objections to any land-use plan that they consider could have an adverse impact on them. However, despite the clear legal framework, in many cases government agencies and land-use planners often lack the commitment to involve local people in the process, and find it difficult to properly identify the appropriate parties to ensure that the plan is going to run smoothly. It is not unusual to see development schemes coming as a complete surprise to local people.

The lack of public participation, as happened in the development of many districts' spatial plans, not only in the two research sites, was caused partly by inflexible procedures. As it is funded by the District Budget, the administrative process has to be completed within one fiscal year. This time constraint made it difficult to accommodate all the stakeholders' suggestions and inputs. The limited budget allocated for socialization of the plans and monitoring of processes has also limited public participation. One district official argued that they had accommodated the people's aspirations as they had deliberated the plan with members of the District Parliament, whom they considered to represent the people's views. Coupled with other factors, such as a lack of willingness on the part of stakeholders to take part in the process and the ineffective functioning of a local government advisory committee, this has resulted in a plan that works only on paper, and creates conflicts among resource users in the field.

It would be useful to further analyze to what extent current legislation supports efforts to strengthen local people's property rights over land. In relevant ministerial decrees there is no mention of property rights or consolidation of community tenurial rights or management. The decrees simply state that the status of forestland can be changed only for 'government development of limited public interests', meaning non-profit-making public roads, water channels, reservoirs, dams and irrigation development, public cemeteries and public health facilities. There is no detailed explanation as to whether agricultural fields and vegetable gardens, which in fact occupy more state forestland, can be included in this category.

Conflict over land

Conflicts over land occur in many areas in the two districts. In West Tanjung Jabung, for instance, c. 20,000 ha are subject to dispute and it is suspected that such conflicts will grow (see Annex 1 showing location, area and status of disputed areas). An estimated 73.6% of all conflicts involve local people and oil palm and forestry concessions, although a few cases of disputes between private companies or local people are also found. In oil palm plantations, some conflicts between investors and local people result from broken promises and unfair mechanisms for profit sharing.

Table 4. Land conflicts between local communities and private companies in Tanjung Jabung Barat District

Subdistrict	Location	Area (ha)	Area status	Conflict with
Betara	Sungai Gebar, Sri Menanti, Simpang Abadi, Kayu Kuning	3,400	Production forest/APL	Industrial forest plantation
Pengabuan	Teluk Ketapan, Sungai Rambai, Teluk Nilau	5,777	Production forest/APL	Industrial forest plantation
Tungkal Ilir	Bumi Ayu, Dusun Delima	741	Production forest/APL	Industrial forest plantation
Merlung	Lubuk Kambing, Dusun Mudo, Kotalu	6,756	Production forest/APL	Industrial forest plantation/oil palm company
Tungkal Ulu	Kuala Dasal, Kampung Baru, Tanjung Bojo, Lintas Timur	2,920	Production forest/APL	Industrial forest plantation/oil palm company
Total area		19,594		

Local people also enter into disputes with forestry companies over concession land. Some 62.4% of the forestry conflicts occurred between a large-scale industrial plantation forest concessionaire, PT WKS, and local people living in villages around the concession. Initially, local people cleared the forests whose status they considered to be 'no ownership' when the management of the area was being transferred from another forestry concession to PT WKS. Local people occupied the land by growing crops and planting rubber. To provide an illustration of how large the area of land under dispute was, a statistic indicates that of 290,000 ha of concession areas granted to PT WKS to establish industrial forest plantations around 50,000 ha are disputed.

From the company's perspective, there are three different types of land disputes: overlap, *okupasi* and *klaim*. The first type takes involves disputes over rights to overlapping concession areas that occur between the company and neighbouring companies. This dispute is relatively easier to resolve than two other types, since the problem is rooted in the difference in data and interpretation of legal permits issued by the government, which takes the lead in mediating the disputes. The second type, *okupasi*, basically refers to land that the company is entitled to work on, but that has been occupied by village infrastructure such as housing, schools and oil palm farms.

While having a legitimate right to the land, the company does normally not work in such areas.

The third type, *klaim*, to which the case described above belongs, refers to a situation in which local villagers claim to have inherited the land from their ancestors and therefore to own land that has been allocated by the government to the forest company. While they do not have written proof of ownership, local people plant crops, rubber plants and other species to indicate their 'ownership' of the land. A staff member of PT WKS recognized that this type of conflict is the most difficult to resolve, and that local people's claims to land are often neither certain nor realistic. Claims are often made by different groups of villagers at different times, and the boundary of the land is not clear.

This conflict was intensified when the company started to establish plantations in the disputed areas. CIFOR research (see section 'The role of stakeholder engagement' below) played a role in facilitating the interactions between the local people who occupied the land and PT WKS. At the province level, the workshop facilitated by the CIFOR team, which brought together stakeholders representing the district, provincial and central government, the village and the company, resulted in the parties concerned taking steps to resolve the conflict. One of the options was a joint inventory of the land under dispute, and an assessment in the field of the extent to which the land had been utilized and managed by local people. As a result, the Governor of Jambi issued a rule stipulating that the local people occupying the production forestland who had intensively managed the land and had 2-year-old plants in that area would be allowed to continue working on the land. However, in the area where the villagers had failed to manage the land well the company could establish plantations.

While in some disputed areas the parties concerned agreed to follow the rule, one group of local people in another area insisted on continuing to occupy the land although they had been declared not to own the land rights. They were immigrants who had come to the villages surrounding the concession and bought land from the local people. It had been local village elites and community leaders who had persuaded local villagers to negotiate with the immigrants and illegally sell land that turned out to be state-owned production forestland leased to the company. It was reported that in December 2007 a group of villagers set 11 excavators and bulldozers owned by PT WKS on fire. They were not happy that the company was starting to establish plantations in the area. Although they did not manage the land themselves, they had invested money to buy it¹⁵. Subsequently the Governor declared *status quo* on the disputed area: no one was allowed to work on the land.

Later, in March 2008, as reported in a national newspaper, the Governor finally decided to grant forest rights to some 16,000 farmers living in five districts surrounding the company's concession areas to utilize 41,000 ha of disputed land. He assured the local people that they could continue to manage the land and plant forestry trees. The Governor also proposed to the Ministry of Forestry that a further 40,000 ha of ex-forest concession areas be converted to be managed by local people. The Governor's act was considered by some parties as a breakthrough in agrarian reform, as this was the first

district in the country to grant local people such rights to use forestland¹⁶. While it is not clear yet how and why the Governor took such a massive step, and how local people would be able to manage the forest, it is important to see the implications for the forestland under question and other forestland under dispute.

A further illustration of the power struggle between local people and a forest concession company to secure property rights over land is seen in a case in Sukamaju, Jambi (see box '*The fight for secure property rights in Sukamaju, Jambi*').

The fight for secure property rights in Sukamaju, Jambi

Based on an interview 29/07/05 by Bria Morgan with two villagers, a woman and man

In 1996, people were just beginning to move to the hamlet of Sukamaju. Only a few families lived on the left fork of the road in from Simpang Beringin. Our family was the first to move into the area. We opened our own land, as did the other families who moved in after us, to make our swidden farms to grow rice, vegetables, and fruit.

We had been there for some years when men from P.T. Inhutani, a state-owned forest company, came and spoke to my husband. They told my husband that the land that we had opened and farmed was actually owned by Inhutani, and they got my husband to sign something. He said he didn't know what it was; he thought it might have been a census.

A few months later, we heard that our neighbours who lived down the other fork of the road had been kicked out of their homes by the same men from Inhutani. The men from that hamlet had been asked to sign something too. That something turned out to a contract agreeing to sign our land over, with no compensation, to Inhutani. The men came with members of the police, the military, and *Brimob*, the Mobile Brigade, a paramilitary organization trained and organized on military lines. They ordered the people out of their houses; people were crying and grabbing what they could. Then the *Brimob* men went in and grabbed everything of value—even the chainsaws that we only used to build our houses. Then the houses were torn apart, destroyed with bulldozers that the Inhutani people had brought with them. The people were given nothing, just left on the side of the road.

A few weeks later, the people from Inhutani came to Sukamaju with red paint. They marked our houses, and would not say why. Then someone from Inhutani told us that the neighbourhood was scheduled for the same kind of demolition that had happened to our neighbours. The red paint was to show which houses were to be destroyed. This man told us the day when Inhutani was coming. The people in Sukamaju were terrified. The women were crying. We got together at a villager's house to talk. Everyone was there. We decided we had to do something.

The day when the people from Inhutani were supposed to show up, we all went down to the fork in the road. Everyone was there—all the children, all the women, all the men. The women stood in the front and waited. It was the middle of the day when they finally showed up. The men from Inhutani came in four jeeps. They had members of the military, ABRI, with them, and members of the special police force *Brimob*. They had brought heavy machinery, bulldozers, with them. The women stood in front, as had been agreed at their meeting.

The police ordered us to get out of the way. We said that we lived there, and that we were not moving. The police officer told us to prove it with our KTPs, our Proof of Citizenship cards. We had ordered our citizenship cards, and had paid all of the fees for the cards. But they were not delivered. We learned later that Inhutani had asked the officials on the subdistrict level not to deliver the cards. But everyone there knew that we lived there, and that we had the right to live there. The women stood in front of the cars, and would not let them move. Some of the women climbed up on to the bulldozer.

We were crazy. We were just yelling at the officials. They yelled back: '*Kalian tak bisa diatur!*', 'You cannot be controlled!', but they would not hit us or fight because we were women. The people in back, the children, the men, the women who were too afraid to join in front, were terrified. Then the police official ordered the car to move—to run us over. Then we did what we decided would be our very last resort—we took off our shirts. The policemen were too embarrassed to even look at us, let alone to do anything. We continued yelling at them. I broke off the thing on the front of the car and threw it at the wind shield.

During our fight, someone must have gone to get the village head, because he appeared. He spoke with the members of Inhutani and the officials. We quickly put our shirts back on—we were embarrassed in front of the village head. We were so embarrassed. It was not embarrassing when we were yelling at the policemen. We were crazy with anger. But when the policemen were talking with the village head, we realized ourselves, and got so embarrassed. We put our clothes on and ran into a nearby house. But we were also proud because the men from Inhutani didn't come and destroy our houses.

The men from Inhutani left after they spoke with the village head. We did not hear from them for a long time. I don't know what the village head said or did, but the men from Inhutani did not come back for a long time. Then, they came back. The next time they came, about a month later, there was only a few of them—only one car. They came into the house. I was so afraid. I was not ready to do anything. But instead of kicking us out of the house, they sat down to talk with us. They offered to help us with the government assisted '*Jaringa Pengaman Sosial*' (*social safety net*) programme—to provide us with saplings and fertilizer. We did not know why, but we were really glad that things seemed to have gotten better.

'The people from the village down the other fork of the road, the people whose houses were destroyed, never got any help. But Inhutani never came to do anything with their land, either. In a couple months, when Inhutani had not come back, the people started to move back and rebuild their houses. Now their houses are rebuilt, and more people have moved back in. Now a lot of people have *Sporadik*, recognition of land ownership from the village head, to prove their ownership of their land. But still we are nervous—there is talk that this land is owned by another company. We don't know about that. But we will wait and see what happens'.

Similar examples of the proposed conversion of forestland in other provinces

Power struggles between central and local governments over the use of forestland have not only occurred in Jambi; they are of national significance and have also occurred in provinces such as East Kalimantan, Central Kalimantan, South Sumatra, Bintan, Batam etc. Recently, cases of conversion of forests to other land uses have been brought to the attention of the public and have appeared in the press. This has occurred because a member of parliament was caught red handed by the Commission for Corruption Eradication when he received 'dirty' money from the Secretary to Bintan District Government. The money was allegedly connected to the district's attempt to facilitate approval for its proposal to convert 6,813 ha of protected forest.

In East and Central Kalimantan, the provincial governments have long entered into difficult negotiations with the Ministry of Forestry. Following a tug-of-war over authority for timber management, small-scale forest concessions and shared forestry revenues (see Samsu *et al.* 2005; Barr *et al.* 2006), the Provincial Government of East Kalimantan¹⁷ engaged in a series of meetings with the Ministry of Forestry, deliberating on the proposed conversion of forestland. Around 2 million ha of the province's forestland were proposed for conversion. In early 2006, district governments in East Kalimantan agreed with their provincial government to develop a new land-use plan covering the period from 2005–2025, due to, among other things, the emergence of new regions as a result of regional autonomy. It is not only production forests that suffer increased pressure from these changes but also protection forests and protected or conservation areas. An example of this pressure is the strenuous effort made by the District Government of Kutai Timur in East Kalimantan to convert 23,000 ha of national park areas to areas for non-forestry purposes. While a commonly cited reason for converting this forestland is to help local people who already occupy the park, there is also speculation that a large minable coal deposit in the park has been the target of those who favour conversion.

The suspension of Ministry of Forestry approval for forest conversion is considered by local governments to have hampered local development and investment. The Governor of Central Kalimantan¹⁸, for instance, stopped issuing letters of recommendation for large-scale natural forest concessions, the licence for which is issued by the Ministry of Forestry. He argued that it was not fair to stop issuing local permits to private companies for mining, forestry and estate crops business because approval of their land-use plans was suspended while the Ministry of Forestry continued to auction off large-scale natural forest concessions. Although the Ministry requires a letter of recommendation from the governor to permit the concessionaires operate their businesses, the Governor preferred to not exercise his power to issue such letters.

Stakeholder engagement: the role of CIFOR research

Through action research, a team from CIFOR facilitated interactions among stakeholders and engaged those in dispute in a series of shared learning meetings¹⁹. In addition to producing analytical research results, the team adopted stakeholder

engagement as a strategy for bringing together relevant stakeholders, including disputing parties, to forge collaboration, enhance each other's understanding of an issue, help them explore and collectively learn about the risks, impacts and opportunities for seeking the mutually agreed solutions. The term 'stakeholder engagement' has also been used to enhance public participation in policy development. The team attempted, in particular, to bring in disadvantaged parties, local people, including women's groups – the often-ignored parties in policy processes – to participatory workshops, forums or focus group discussions to solicit their input. In parallel, to help the local community gain the confidence and courage to interact with outsiders, the team catalyzed some groups of local people, and helped them undertake a cycle of action research: planning, action, reflection and re-planning. This has enabled the groups to gradually enhance their capacity to express their opinion and interact better with others.

In both West Tanjung Jabung and Bungo Districts, a series of workshops was held in which relevant stakeholders built a shared understanding of the importance of land-use planning in regional development and environmental and forest resources conservation, and the importance of providing local people with secure property rights over land. Stakeholders tried to seek coherent strategies for resolving cases of overlapping land allocation in forestland taking into consideration the sustainability of the forest resources, the development of the regions and the capacity of each local government. They also tried designing and agreed on follow-up plans for resolving problems of overlapping land titles in the forests. Through the workshop, stakeholders became more aware of various issues, and, more importantly, built trust among themselves and gained a better understanding of each other's challenges; they also entered into commitments to work together.

Thanks to repeated interactions, stakeholders then took initiatives to resolve the issue of land disputes and land-use plans. As described earlier, one forestry company and some district governments in the forest concession areas, for example, took steps to establish a joint team to make an inventory of disputed land, negotiate with local people, and agree on some options.

Conclusions: The ways forward

One of the current challenges facing the implementation of forestry decentralization in Indonesia is the increase in requests from local governments to convert forestland. Through the process of revising local land-use plans, motivated by the need to boost local development and enhance people's livelihoods, local governments propose the conversion to the Ministry of Forestry, which has the sole authority to change the status of forestland. Negotiations take place between the concerned parties in a series of both closed and open consultative forums involving relevant stakeholders, a feature of which is discussion about, for example, the need to maintain forests and their important environmental functions versus the need to accommodate local people's needs for livelihoods and to facilitate local investment and development. Making decisions on whether proposals are accepted or rejected is a lengthy process, taking months and

often years to complete. As seen in some cases, the process sometimes involves illegal acts such as bribery. The approval process goes through several stages, as required by the regulations, such as checking that the converted forestland complies with national forestry standards. If the change in the status of the forestland is strategic and has broader impacts, endorsement by the House of People's Representatives is required.

This prolonged process cannot be separated from historic problems such as improperly designated land uses, central government domination of decision making regarding forests, ambiguous regulations and weaknesses in law enforcement. The long history of centralization and the top-down approach to forest management planning have resulted in distrust on the part of local government, making a consensus difficult to achieve.

As described earlier, the negotiations involve the use of resources and power by the various parties in dispute to pursue their goals. Local governments, for example, make use of loopholes in the law in the way they interpreting the relevant articles, and argue on behalf of local people to gain support for their intention to generate revenue from large-scale plantations. While it is reasonable to maintain all types of forests, particularly protection and conservation forests, and to prevent them from being further degraded as a result of forest conversion, central government's inclination to stick rigidly to the law without attempting to adapt to the realities on the ground is questionable.

Repeated stakeholder engagement plays an essential role in lessening the tension between parties in dispute, building shared understanding of the issues, possible opportunities and threats, and seeking a consensus on the solutions. In the two cases described, facilitation by a third, impartial party and the involvement of diverse stakeholders (not limited to members of parliament) in the engagement process proved to be of importance. The facilitation helped to sustain the process and to ensure that it took place in a fair and participatory manner in which stakeholders shared their experiences, exchanging ideas and opinions without restraint, and were willing to engage in collaborative efforts. Diverse perspectives on property rights that are not limited to ownership rights over resources, for example, are beneficial to decisionmaking process. Overall, they helped make the process reputable and transparent and created opportunities to find solutions that were acceptable to the two parties in dispute. Sherif and Sherif (1953) suggested that the best strategy to overcome prejudice is by engaging both parties in a common activity that potentially contributes to reducing prejudice and improving relations between the two sides.

Negotiations on forest conversion are expected to continue to take place in the coming years, and it is strongly believed that these cannot be separated from demands by local government to play a significant role in managing forest resources. While adopting Sherif and Sherif's strategy (Sherif and Sherif 1953), there are some ways forward for creating sounder forest land-use development policies. First, a link should be established between incentive and disincentive mechanisms and the imposition of stricter sanctions on (mis)management of spatial planning and central government's commitment to grant authority for forestry affairs to local government once the capacity and preparedness of the latter are in place. Delegating more authority and

responsibilities for forests to local governments is expected to increase their sense of ownership and commitment, making them more accountable for forestry development.

Second, an integrated accountability mechanism should be put in place in the forestry and agriculture sectors that would ensure sustainable use of the resources. This holds particularly true for converted forests (once they are finally approved) that would be used for establishing large-scale plantations or estate crops, with the mandate to maintain the ecosystem functions. Once an area of forestland has been converted, local governments will remain accountable for how they utilize the land, from both environmental and social aspects.

Third, in order to cope with any discrepancy in the data, it is necessary to develop an integrated database on forests and land uses to be maintained by local government and the Ministry of Forestry. Fourth, efforts should be made to integrate the implementation of community-based forestry policies such as Community Forestry and People's Forest Plantations with the Ministry of Forestry's response to local government in terms of the proposed conversion of forests.

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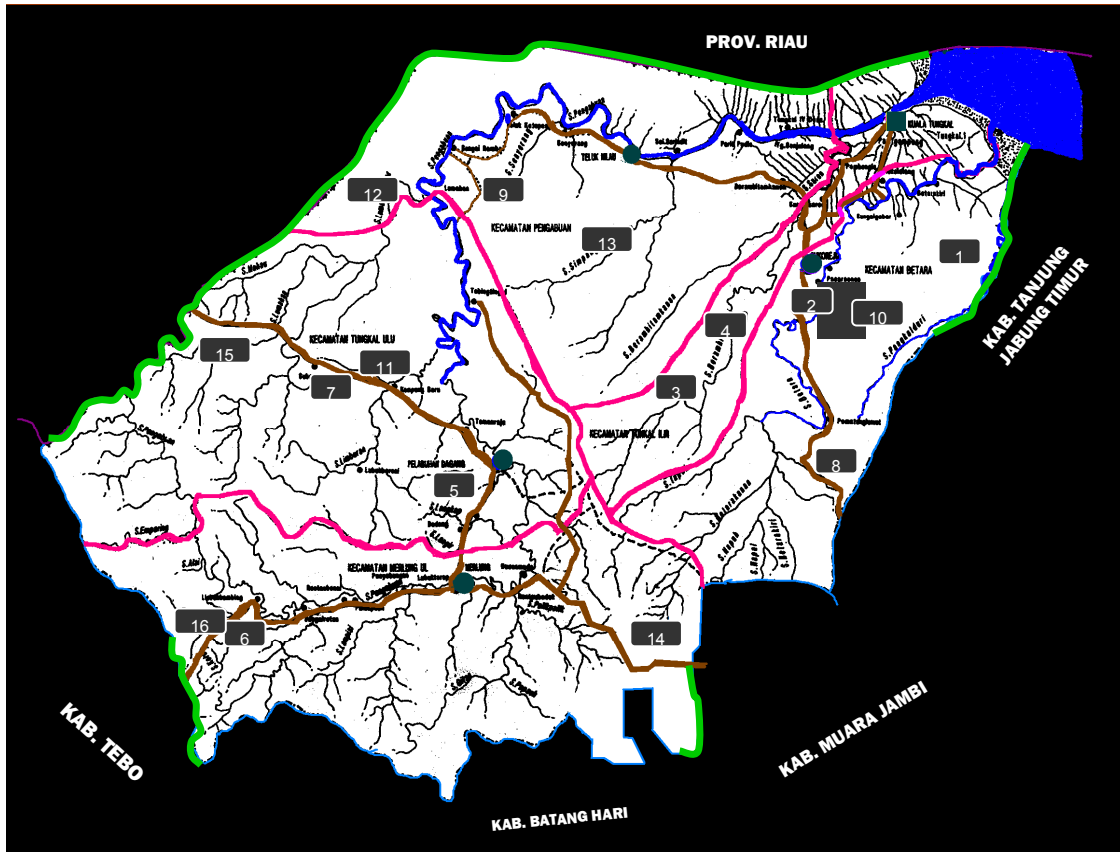
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Annex 1. Map showing the distribution of land conflicts in West Tanjung Jabung District, Jambi Province, Indonesia (the numbered dots indicate locations of conflicts)



¹ Paper to be presented at 2008 IASC Conference on the theme 'Governing shared resources: connecting local experience to global challenges', Cheltenham, England, 14–18 July 2008. The paper should be considered a final draft and is intended for discussion only; it will be finalized later.

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⁴ The Government of Indonesia issued Law No 22/1999 Concerning Local Governance, which many considered to be a drastic attempt to decentralize central government's functions to a lower level of governance, particularly to district governments. At about the same time, the government also issued a government regulation (PP 6/1999 on Forest Utilization and Forest Product Harvesting in Production Forest) that allowed district heads to issue logging permits, a right that had been held exclusively by the Ministry of Forestry.

⁵ As reported in the press, most conservation areas have been subject to local development such as road construction and mining etc. While some plans for clearing forests are unavoidable and are genuinely intended to enhance local development, others are accompanied by a hidden agenda (i.e. to generate income from felled trees). Two recent articles, for example, reported plans for road constructions crossing forested areas in Bukit Dua Belas National Park in Jambi and protection forests in North Sumatra Province ('*Orang Rimba Adukan Perambahan*', Kompas Daily, 26 June 2008, and '*Jalan Alternatif Menembus Hutan*', Kompas Daily, 26 June 2008.)

⁶ '*Konversi Hutan Lindung: Siapa yang Untung, Siapa yang Buntung?*' (Conversion of Protection Forest: Who wins, who loses?). Kompas Daily, 10 May 2008. Direct losses are calculated based on the lost timber and nontimber forest products and biodiversity. Indirect losses refer to the costs incurred as a result of the destruction of water sources, landslides and other disasters.

⁷ A survey of state forestlands conducted in Tanah Tumbuh Subdistrict, West Tanjung Jabung, in 2004 showed that of an area of 6000 ha some 1330 ha had already become farmland, planted by local people with vegetable gardens and oil palm.

⁸ The initial extent of changes to state forests proposed was only 11,500 ha. After revision, the area proposed in a workshop presentation by the West Tanjung Jabung District Spatial Planning Team grew to 46,185 ha.

⁹ '*Alih Fungsi Hutan Wewenang Pemerintah*' (Changing the Functions of Forests is Central Government's Authority), Kompas Daily, 12 May 2008.

¹⁰ As a result of harmonization between the Land Use By Consensus scheme and regional land use plans, the Ministry of Forestry produced *Peta Penunjukkan Kawasan Hutan dan Perairan* – a map of designated state forestlands and coastal areas.

¹¹ '*Pemanfaatan Hutan Produksi Konversi Belum Optimal*' (The Use of Convertible Production Forests has not Been Optimal), Kompas Daily, 22 April 2008.

¹² The Minister of Forestry sent letter No.238/Menhut-VII/2003 dated 21 April 2003 to all governors, district heads and mayors throughout Indonesia.

¹³ Article 19 paragraph 1. An integrated study into the proposals for forestland conversion is required to ensure that decisions taken are objective and well-grounded. Normally, the government undertakes such integrated research by involving those institutions having the scientific authority and other parties.

¹⁴ Minister of Forestry Decree No. 70/Kpts-II/2001 on Assigning Forest Areas, Change in Status and Function of Forest Areas (issued on 15 March 2001). Articles 8, 12, 13, 16 and 18 of the decree were revised through Minister of Forestry Decree No. 48/Menhut-II/2004 issued on 23 January 2004.

¹⁵ According to a PT WKS staff member, this incident was the first where local people engaged in such anarchic activity. Normally, when a conflict escalates there is always negotiation and dialogue between local people and the company. This criminal case was handled by the Police and some of the perpetrators were arrested.

¹⁶ '*Sengketa Tanah, Gubernur Memberikan Hak Kelola 41.000 Hektar Lahan kepada 16.000 Petani*' (Land Disputes: Governor Grants Management Rights of 41,000 ha of Lands to 16,000 Farmers), Kompas Daily, 18 March 2008.

¹⁷ Based on a document entitled '*Telahaan terhadap Perubahan RTRW Provinsi KALTIM*' (An Analysis of Regional Land Use Plans of East Kalimantan Province) presented by the East Kalimantan Province Bappeda in 10 April 2008 in the Ministry of Forestry.

¹⁸ '*Izin HPH: Gubernur Kalteng Hentikan Beri Rekomendasi*' (Forest Concession Permit: Governor Stops Providing Recommendations), Kompas Daily, 18 March 2008.

¹⁹ In shared learning workshops different techniques were adopted for discussions and interactions. For instance, in addition to panel discussions, mostly used for workshops, talk shows and 'goldfish bowl' techniques were used in order not only to enable discussions to take place in a friendly and equal manner to achieve their intended objectives but also to build trust and spark the participants' commitment to working together.