

IASCP 2006 Abstract Submission Form (Panel)	
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PANEL: Rural Livelihoods: Revitalizing Community Forest Resource Rights for Poverty Reduction

In a widespread effort to address rural livelihoods issues, DFID embarked on a \$25 million bilateral program with the Ministry of Forestry (the Multi Stakeholder Forestry Program MFP). It seeks to establish pro poor policies by creating enabling conditions for forestry policy reform. During the difficult transition and 'reformasi' period, bilateral efforts at addressing poverty became most welcome.

An impact study recently conducted within MFP, showed that many Indonesians are vulnerable to poverty, yet the discourse on poverty has been limited and relatively ill-informed..“This is because there is no tradition in Indonesia of class-based social and economic analysis and, previously, political leaders emphasised the unity of people. The near absence of long-term social science research work and research organisations focused on understanding issues of poverty remains a considerable challenge for Indonesia. This coupled with the lack of analysis around disaggregation of poverty in terms of levels and types means that policy and service provision tends not to be responsive to these different forms of poverty. Further, the idea of exclusion and lack of voice as elements of poverty are relatively new in Indonesia, where the focus has been on those without resources and assets.”

Understanding of remote, forest-area poverty is especially weak amongst national and local government agencies. Few poverty interventions tackle the specific challenges of remote, forested areas. Nor is there much understanding of the poverty impacts of forestry interventions, and of how they could better target the poor. Policy conclusions from consultants and partners' joint studies showed that, based on existing national data, it is statistically possible to demonstrate a link between high forest cover and lower levels of village and household welfare in Indonesia. Nevertheless, an effective policy response demands further analysis of that link.

Forest - poverty maps may be an especially powerful means of demonstrating the particular responsibility of forestry agencies for tackling remote rural poverty; and of enhancing poverty

targeting and monitoring as a routine element of forest-sector planning. The development of forest – poverty overlays is, however, hampered by the lack of a standardised, integrated spatial information system, as well as problems with the compatibility of datasets. Amongst others, administrative maps of village boundaries (as the principle unit for representing and overlaying poverty data on forest maps) are based on frequently inaccurate sketch maps. Integration of poverty mapping with routine forest-sector planning is an area that deserves special attention under the proposed FOMAS forest monitoring and assessment initiative currently under development by the Ministry of Forests, the World Bank and WRI.

Forest – poverty maps also tell us little without complementary field-level analysis. The development and application of tools for participatory poverty and land-use assessments by MFP partners in Papua and Sulawesi generated evidence of the importance of the forest commons as a vital complement to poor peoples' livelihoods in remote areas; both as a safety-net and as a stepping stone out of poverty. The work in Papua also showed how poverty in and near forest areas in large part reflects vulnerability to externally imposed land-use decisions, where access to the forest commons is withdrawn. This stems from the reluctance of government to give concrete recognition to customary tenure and land-use, as well as rights of Free and Prior Informed Consent within the National Forest Estate. It also stems from the lack of institutional channels by which the poor can voice and contest their claims (e.g. in relation to damages inflicted by logging concessions).

The use of poverty tools highlighted important challenges for existing policy governing the commons, spanning: (i) forms of collective land titling and registration; (ii) criteria for designation of lands for extractive industry and conservation within the National Forest Estate; (iii) mechanisms for managing the overlaps with local community land-use systems (prior informed consent, compensation, community development); (iv) the opportunities to secure these reforms within the framework of decentralisation and special autonomy laws; and (iv) the legal and institutional safeguards needed to ensure the poor do not lose out (amongst others, work by MFP partners in Sulawesi showed that the incentives for community-based forestry work very differently for the poor).

This demonstrates the importance of a solid framework for poverty analysis (linking assets, social exclusion and voice) when reviewing options for restructuring and revitalizing the forestry industry. It also demonstrates the importance of partnerships with agencies primarily responsible for operationalizing forest plans like local government, the private sector (natural resource concessionaires, eco-tourism) and conservation groups, in undertaking poverty analysis. In this respect, the introduction of Forest Management Units (KPH) as devolved decision-making structures presents an important policy opportunity..

Four panelists will discuss:

1. Making Progress towards Environmental Justice: Certifying Community Teak Farms in Konawe Selatan, Southeast Sulawesi

ABSTRACT

Making Progress towards Environmental Justice: The Role of Local Institutions, Market Access, and Certification in Sustainable Community Logging in Konawe Selatan, Southeast Sulawesi

The Regency of Konawe Selatan is comprised of Balinese, Javanese, the indigenous Tolaki and other ethnic groups. Many forest areas in Konawe Selatan are privately owned but managed in economically viable and environmentally sustainable way. This is in stark contrast to the mismanagement and degradation of adjoining forest land that was once owned by the Tolaki pursuant to adat rights but is now under State control. The past and present management of forests in Konawe Selatan raises serious questions about the public rationale for maintaining a National Forest Estate in Indonesia.

For five years, the local NGO Network for Forests (JAUH) has been helping the people of Konawe Selatan develop strong decision-making institutions and gain access to local and international markets for their timber. These efforts led in February 2003 to the formation of the Koperasi Hutan Jaya Lestari by 8543 individual local owners of private forest land. During May 2005 the Koperasi obtained Forest Stewardship Council (FSC) certification, the first ever issued to a local community in Southeast Asia.

Since FSC certification was acquired, the price local people are paid for timber cut in their private individual forest plots is 11 times higher than before! As global demand grows for sustainably harvested timber, the people of Konawe Selatan provide an important example of what is possible for other local communities in Indonesia and beyond. Yet ironically, despite some hopeful developments, the Ministry of Forestry does not yet seem ready to recognize these local accomplishments. Nor is the ministry willing to recognize the Tolaki's adat rights over adjoining state forest lands that were usurped in the 1960s. This recalcitrance continues, even though high levels of illegal logging and land degradation continue in the government controlled area.

The paper details these developments in Konawe Selatan. It is based on data gathered by JAUH and the Koperasi from 196 forest farmers who are members of the Koperasi. It describes the processes by which local forest owners in Konawe Selatan have organized themselves, the incentives that encouraged them to work together, as well as the development of rules for sustainable forest management and the equitable distribution of benefits. These rules include guarantees on the involvement of the

poorest people, many of whom are landless, in decision-making processes. The paper also details how, based on their successes, the Tolaki and their allies are working to negotiate the recognition of their adat rights in forest lands from which they were evicted, as well as the challenges faced in securing recognition of these rights by central government. *

2. Amplifying Voices of Poor People

ABSTRACT

Amplifying Voices of Poor-People and Women's Groups in Government Planning Processes and Community-Based Management of Local Resources: Lessons from Mareje-Bonga, Lombok Island, Indonesia

Nyoman Oka, Ahmad Zaini, Hasbi Berliani

Poverty has been haunting the majority of the people in Mareje Bonga forest area in Lombok Island, West Nusa Tenggara, Indonesia. Fifty five to seventy percents of the community's income are low. One of the main reasons for the poverty is their lacks of access to managing forest products.

This paper describes and evaluates experiences from a collaborative government/donor project for integrating "voices and choices of the poor and women" in government planning processes in the Mareje-Bonga Forestry Area, Lombok, Indonesia, through a Farmers' Organizations Association. The project, which has now become a regional program, focuses on helping politically weak and vulnerable constituencies develop and strengthen their capacities for influencing governmental planning processes and sustaining community-based management of local resources, including forests, health clinics, and formal and informal educational institutions.

Government planning processes address a range of important issues, but have typically overlooked the needs and aspirations of poor people and women. Pressures from the Farmers' Association have prompted some local government officials to broaden public input in planning processes. This includes providing financial support, making government facilities available, and mandating the involvement of local

officials, including high ranking officials, and holding meetings in more accessible venues.

The most important project outcomes to date include less fear of government officials, increased decision-making by women's groups, greater involvement and confidence in collaborative efforts to manage forest resources, and expanding authorization by local officials for community management of classified forest land. In January 2006 the regional governor promulgated a regulation converting the project into a program encompassing 124 nearby villages.*

3. Land Rights and poverty

ABSTRACT

Protecting Customary Land Rights and Securing Bottom-Up Processes for Forest Policy Development in Papua, Indonesia

Herbeth Rumbiak

Virtually the whole of Papua is governed by customary law, spanning over 250 ethnic groups. Most groups welcome private sector investment, and are willing to work with external entrepreneurs, provided the rules of the game are clear. Yet, despite this pro-business sentiment and having the greatest natural resource wealth in Indonesia (including some 39 million hectares of forest), levels of rural poverty in Papua are also the highest in the country (estimated at 60%).

A major factor for rampant poverty in Papua is the failure by the State to recognize the existence of customary law communities when delineating and designating logging concessions, conservation areas and transmigrant settlements. These state grants to outside interests arbitrarily usurp the customary property rights of indigenous communities and reduced their access to traditional areas. The end result is that the subsistence systems of many rural Papuans in the central highlands, the north coast and the Bird's Head Peninsula are at risk of being undermined by existing land-use policies. Without adequate mechanisms for securing the participation and prior consent of customary communities, many investors are also now finding it increasingly difficult to cope with escalating land conflicts. From 64 active logging concessions in 1998, less than 20 remain operational in 2006.

In response to growing political instability, a Special Autonomy Law for Papua was enacted in 2001. This Special Autonomy required the Provincial Forestry Department to give greater recognition to customary law communities and their community-based property rights. Initial responses included issuing short-term logging licenses (IPKMAs) to customary law communities, as well as requiring that they be compensated for timber and other forest products extracted by commercial concessions. These developments, however, have not provided adequate support and protection to customary territories, institutions and management systems. Nor have short-term cash benefits contributed to longer term poverty reduction.

This paper describes efforts by the Provincial Government of Papua to address these challenges. It details how consultations by the Provincial Forestry Department have now worked to give voice to customary aspirations, and to create new relationships between communities and government in identifying policy solutions. These include mapping of customary territories as the basis for land-use negotiation, the re-designation of commercial logging concessions taking into account customary land management systems, and providing necessary institutional and technical support to customary communities. A draft Provincial Law for the protection of customary law communities in forest management includes all of these initiatives.*

4. CBFM Economics

Abstract:

**Quantifying Economic Contributions from Community-Based and Small Holder Management of Tree Crops and Forest Lands:
What are the Welfare Gains?**

David W. Brown
Timothy H. Brown
Agus Ediawan
Agus Justianto
Bintang Simangunsong

ABSTRACT

State-claimed, legally classified forest areas cover more than 70% of Indonesia's land area, although about one-fourth of this "forest zone" (32 million ha) actually has little or no tree cover. Approximately 50-60 million Indonesians, or 25% of the nation's citizens, live in these areas, of which twenty percent are below the poverty line, a higher percentage than the national average of 17%. Some legally classified forest areas include community-managed agroforests. Other areas are degraded but used as agricultural lands.

Efforts to address issues of rural poverty in Indonesia must necessarily address issues of forest land use, classification and control. Rationalizing the use and management of these areas would benefit the economy and the people. It would foster more productive uses of degraded lands and remove uncertainties that are barriers to rural investment.

A group of economists working in partnership with the DFID Multi-stakeholder Forestry Programme have quantified the economic contribution from community-based or small holder-based management of tree crops and forest lands and estimated the size of improvements possible under different enabling policies, such as increased land availability and secure access or tenure. Their findings are presented in this paper. This includes an examination of national level estimates and regional distributional effects to determine which policy combinations have the largest impacts on land use, employment, and economic value.

POLICY FINDINGS

The current economic contribution of smallholder forestry activities represents a significant yet underappreciated sector in the Indonesian economy:

Based on 2002 data, smallholder tree-based and forest-based production activities together - including plantation crops that emulate forest functions (such as coffee, oil palm, rubber, spice trees, etc.), non-timber forest products, and private forest production (hutan rakyat) - contribute US\$ 6.2 billion in economic value each year. This is over 3% of Indonesia's overall economic output and provides jobs for nearly 4 million people.

Small holder plantation crops leading to an expansion of tree cover are now found on 11 million ha of land and account for the vast majority of these values. Community timber and non-timber forest production are relatively small.

A much larger area is allocated to commercial forestry, which produces about US\$ 2.1 billion in value added from timber harvesting and another US\$ 2.4 billion from processed wood products. This is about 2.4% of overall economic output and provides jobs for half a million people.

Smallholder plantation crop activities are very diverse and the mix of crops varies across islands.

Analysis of potential national policy changes shows that:

Small reallocations of land or increases in security for investment in land productivity can yield high returns, up to US\$ 1.4 billion per year in added revenues and possibly 1.6 million more jobs.

These benefits would not materialize immediately, but only after investments in land and new crop plantings matured and came to market.

The largest values come from policy changes that boost smallholder tree plantations that emulate forest functions, because this is larger in area, value, and employment than other activities examined.

The largest values also come from policy changes that increase the availability of land, rather than policies that affect the productivity or benefit sharing arrangements on existing lands.

To gain these benefits, small holders need long-term security of access to land to make the required investments.

Regional and national governments would benefit from increased economic activity, trade, and potential tax base.