

**Problems in Indonesian Community-Based Forest  
Management (CBFM) Policies:  
Examination of Village Forest (HD) Programs  
in the Provinces of Jambi and East Kalimantan**

**浦野 真理子**

# Problems in Indonesian Community-Based Forest Management (CBFM) Policies: Examination of Village Forest (HD) Programs in the Provinces of Jambi and East Kalimantan

Mariko Urano

Contents

Introduction

Chapter I Progress and Constraints in Indonesia's CBFM policies

1. Indonesia's Village Forest (HD) and Community Forest (HKm) Schemes
2. Target and Reality

Chapter II Cases of Local Communities that Applied to HD Programs

1. Cases in Districts of Bungo and Merangin, Province of Jambi
2. Cases in the District of East Kutai, East Kalimantan

Chapter III CBFM Policies and Problems of Land Law Reform

1. Practical Problems of CBFM Policy Implementation
2. Not CBFM, But Land Reform Is Needed

Conclusion

## Introduction

Community-Based Forest Management (CBFM) schemes have drawn international attention as effective tools to realize both forest conservation and poverty alleviation of forest-dwelling populations in developing countries.

In Indonesia, the heavy-handed forestry policy during the Suharto government has been criticized for undermining the customary land rights of populations living in forest areas. In the process of political reform since 1998, the Indonesian government has increasingly incorporated the approaches of CBFM, specifically Community Forest (*Hutan Kemasyarakatan*, HKm) and Village Forest (*Hutan Desa*, HD) in its forestry policies with the purpose of giving the local communities to have better access to local land and forestry resources and therefore contributing to alleviation of local poverty.

In 2010, the Ministry of Forestry set up a target of 500,000 hectares a year as areas covered by the HKm and HD programs, but the reality is that very little has been achieved. There are a number of practical problems that have hampered the progress in CBFM policies, including lack of coordination among government agencies, insufficient funding, and incapability on the part of participating communities.

Meanwhile, there have been criticisms that CBFM programs, as represented by the HKm and HD schemes, would not lead to a fundamental solution to the problems of weak land

rights of customary landowners. Among those are critiques such that the CBFM programs, which assume that local land rights are collective, would not correctly reflect the reality of local landownership systems (Fitzpatrick). Furthermore, as the state holds the authority to endow the rights of land use and to limit the ranges of possible land use in CBFM programs, participation of local populations in CBFM would intensify state control on the local use of land and natural resources (Li).

This paper examines whether the CBFM policies of the Indonesian government would strengthen the local populations' use and ownership rights of land and natural resources, and if not, what the problems are. To this end, in Chapter I, I describe how the programs of the HKm and HD programs got started, and to what extent the programs have made progress since they began. In Chapter II, I will examine cases of local communities that have attempted to register their customarily owned forest areas as HD, and make a comparison between those in the province of Jambi and those in East Kalimantan. Many communities in the province of Jambi have successfully received the Ministry of Forestry's recognition that their customarily owned forest areas are eligible to become HD, and some have even obtained the Licenses of Village Forest Management (*Hak Pengelolaan Hutan Desa*, HPHD) from the provincial government. However, the two local communities in the province of East Kalimantan encountered problems in the process because a pulp and paper company had obtained a business license on the customarily owned forest areas of the local communities. In Chapter III, I will investigate problems in the development of CBFM policies and also whether the policies would solve the problems of weak land rights of forest dwelling populations in Indonesia.

The field data presented in this paper were collected during six trips I made to the province of East Kalimantan, each lasting a few weeks, from 2011 to 2013. I have also made use of the literature written on HDs in the Jambi province.

## **Chapter I Progress and Constraints in Indonesia's CBFM policies**

### **1. Indonesia's Village Forest (HD) and Community Forest (HKm) Schemes**

According to the advocates, CBFM policies would contribute to poverty alleviation and forest conservation, and therefore could be a viable alternative to conventional top-down forest management. Participating in the programs, farmers would have the legal security to use their forest areas and forest resources within the admitted length of time, so that local populations supposedly would be able to enhance their revenues and protect their cultural identities embedded in forest areas. The local populations' participation in forest management is also believed to be necessary for sustainable forest management. In the CBFM programs, local populations would practice agroforestry under the guidance of the government. An agroforestry approach integrates the management of trees and shrubs with crops and /or livestock production, and thus local farmers would be able to produce commodities, while carrying out environmental protection. Participatory forestry management has been

adopted in the forestry policies of many countries as a multi-functional win-win land-use approach (Smith, Pearce, and Wolfe 2012).

Although the forestry policies under the authoritarian Suharto regime represented a typical top-down approach and mostly ignored the welfare and cultural identities of forest dwelling populations, there were a few attempts of CBFM, such as the agroforestry programs implemented by state-owned forestry companies (*Perhutani*) which began in the 1970s in Java (Djamhuri 2012). The HKm program started in 1995 (Kemitraan 2011: 2-3; Royo and Wells 2012: 9).

The democratization process that started in 1998 has led to policy reforms in the Indonesian forest sector. Four types of CBFM arrangements, HKm, HD, Peoples' Timber Plantations (*Hutan Tanaman Rakyat*, HTR), and Company-community Partnership Arrangements (*Kemitraan*), were stipulated by the Government Regulation No.6, 2007 on Forest System, Composition of Forest Management Planning, and Forest Utilization (*Peraturan Pemerintah No.6/2007 tentang Tata Hutan dan Penyusunan Rencana Pengelolaan Hutan, serta Pemanfaatan Hutan*). A number of Forestry Minister Regulations have followed in order to establish the scope, conditions and licensing procedures (Royo and Wells 2012 : 9-10).

HKm and HD are very similar in their scopes and procedures, except for the subjects receiving the licenses, i.e., typically farmer groups for HKm and village (*desa*) organizations for HD. In both programs, local communities are eligible to apply for licenses to manage admitted forest areas categorized as either protection forest (*hutan lindung*) or production forest (*hutan produksi*) for a maximum of thirty-five years.<sup>1</sup> Those forest areas where the Ministry of Forest has already issued business licenses to private companies for resource exploitation (*hak guna usaha*, or HGU) would not be eligible as HD or HKm.

In the HTR program, individuals and cooperatives can apply for licenses covering sixty years. The Company-community Partnership (*kemitraan*) is a program in which local communities may gain access to forest resources based on an agreement with the holders of business licenses. The terms of Company-community Partnership are determined through negotiation and agreement between the communities and license holders (Agung Sarjono 2012; Royo and Wells 2012: 6). In this paper, the primary focus of examination is given to the HKm and HD programs.

In order to obtain government approval to participate in HKm and HD programs, the local communities have to go through the following procedures. The application documents submitted by local communities, including maps of the proposed forest areas and information on land size, function, and existing resources, must be approved by the district head (*bupati*) of their jurisdiction. Upon the recommendation of the district head, the Ministry of Forestry in Jakarta would send a verification team into the field and determine the forest areas for the sites of HKm or HD. After the site areas are determined by the Ministry of Forestry, the local communities are required to submit management plans to the governors of their jurisdiction in order to receive a License of Utilization of Community Forest (*Izin Usaha Pemanfaatan Hutan Kemasyarakatan*, IUPHKm) for HKm, or a License of Village

Forest Management (*Hak Pengelolaan Hutan Desa*, HPHD) for HD.

### General Information on HKm and HD

Which forest categories could be proposed as HKm and HD?	<ul style="list-style-type: none"> <li>● Protection forest and Production forest.</li> <li>● Local communities cannot propose areas where private companies own business licenses.</li> </ul>
Who is the subject of HKm and HD management?	<ul style="list-style-type: none"> <li>● HKm: Farmer Groups.</li> <li>● HD: Village organizations authorized by village regulations.</li> </ul>
Who has the authority to determine the forest areas as sites of HKm and HD?	<ul style="list-style-type: none"> <li>● The Ministry of Forestry</li> </ul>
Which license must local communities obtain?	<ul style="list-style-type: none"> <li>● HKm: License of Utilization of Community Forest (<i>Izin Usaha Pemanfaatan Hutan Kemasyarakatan</i>, IUPHKm).</li> <li>● HD: License of Village Forest Management (<i>Hak Pengelolaan Hutan Desa</i>, HPHD).</li> </ul>
Who has the authority to provide licenses?	<ul style="list-style-type: none"> <li>● The provincial governors of the jurisdiction of communities.</li> </ul>
How long does a license last?	<ul style="list-style-type: none"> <li>● Thirty-five years. Renewable.</li> </ul>
Who provides the funds?	<ul style="list-style-type: none"> <li>● Local population provides funding.</li> </ul>

(WG Pemberdayaan Departemen Kehutanan RI 2009: 2)

## 2. Target and Reality

In 2007, Vice President Yusuf Kalla and the Minister of Forestry proclaimed the national program of Empowering Forest Village Populations (*Program Nasional Pemberdayaan Masyarakat Desa Hutan*) through HKm and HD. On this occasion, the government set the target area for HKm of at least 2.1 million hectares by 2015, and included this target figure in the Strategic Plan of the Ministry of Forestry (*Renstra Kementerian Kehutanan*). In the 2010 national target, the forest areas covered by the HKm and HD programs were targeted to be increased by 500,000 hectares annually, which would amount to a projected total of five million hectares by 2020. The target figure was set because the HKm and HD programs were perceived to be the means by which the country could attain the Millennium Development Goals of poverty alleviation. The schemes were also expected to lead to a slowing down the pace of forest depletion, and thus would contribute to the national target to reduce carbon emissions by twenty-six percent, of which the forestry sector was given the quota of fourteen percent (Kemitraan 2011: 3-4).

However, so far, development of HKm and HD programs has lagged far behind the targeted numbers. By 2012, areas proposed as HKm by local communities reached 552,695 hectares. However, areas determined to be the sites of HKm by the Ministry of Forestry amounted to 186,931 hectares, of which only 57,685 hectares had actually been issued HKm licenses by the district chiefs and provincial governors. Regarding HD, local communities submitted proposals covering 544,243 hectares by 2012. Of these 84,401 hectares were approved by the Ministry of Forestry as HD sites, but only an area of 15,611 hectares had

been issued HD licenses by provincial governors. Thus, the areas for which local communities were able to finalize the procedures by obtaining licenses amounted to, HKm and HD combined, only 73,296 hectares, less than seven percent of the total proposed areas of 1,096,938 hectares (Kemitraan 2012: “Table 3-4 Realized HKm 2007-2012” 30, and “Table 3-5 Realized HD” 32).

The progress of CBFM in Indonesia has been stagnant, despite the high expectations on CBFM as a means to solve the imminent problems of poverty and environment. The data presented above shows that only a small size out of the total areas proposed as HD and HKm by the local communities was actually realized. In the next section, through an examination of the problems the local communities have faced, I will try to identify the obstacles that have kept CBFM programs from making progress.

## **Chapter II Cases of Local Communities that Applied to HD Programs**

In this section, I will compare the communities in two provinces, Jambi and East Kalimantan, that applied to register their customarily owned forest areas as HD. In the province of Jambi, many local communities have successfully registered their customarily owned forest as HD, but the local communities where I conducted research in the province of East Kalimantan have encountered problems. By examining the two cases, I hope to identify the factors that have led to the differences.

### **1. Cases in Districts of Bungo and Merangin, Province of Jambi**

The province of Jambi has the fastest pace of development in the HD program. The areas approved by the Ministry of Forestry as eligible sites of HD in the province of Jambi amounted to 50,395 hectares by 2012, which is the largest in Indonesia (Poros Masyarakat Kehutanan Merangin 2012: 60). The key factors that have enabled the progress of HD programs in Jambi so far are the long-term involvement of NGOs in organizing local populations and the supportive attitudes of District and Provincial governments toward the policies of CBFM.

The village (Dusun) of Lubuk Beringin, district of Bungo, province of Jambi was the first community in Indonesia that obtained an HD license.<sup>2</sup> In 2009, the area proposed by the villagers of Lubuk Beringin was approved as an HD site by the Ministry of Forestry, and subsequently the villagers were able to obtain the License of Village Forest Management (*Hak Pengelolaan Hutan Desa*, HPHD) from the governor for 2,356 hectares of land.

Since 1997, Indonesian Conservation Community (*Komunitas Konservasi Indonesia*, KKI) Warsi, a local NGO, has worked with the villagers of Lubuk Beringin within the framework of the official programs operated by the Kerinci Seblat National Park (Taman Nasional Kerinci Seblat, TNKS) to promote CBFM. As the villagers were encountering flooding problems, resulting from the increase in migrant populations and their cultivation of forest areas along the tributaries of the local rivers, KKI Warsi mediated a dialogue between the mi-

grant and local populations, and assisted the local populations in lodging complaints to the local government about this issue. In the process, KKI Warsi and the villagers drew up the Village Conservation Agreement (*Kesepakatan Konservasi Desa*) for the purpose of protecting forest ecosystems in the area, specifically the Rantau Bayur Bukit Panjang Protection Forest and the Kerinci Seblat National Park.

Still, increasing encroachment by investors, such as oil palm estates, coal mining companies, and industrial plantations, as well as government-sponsored transmigration programs, continued to pose a real threat to the local environment and utilization of natural resources. In this context, the HD policies that started in 2008 was seen by the villagers of Lubuk Beringin as an opportunity to solidify their legal basis concerning local forest management.

KKI Warsi played a critical role in assisting the villagers of Lubuk Buringin in preparing and submitting the application for the HD program. For example, KKI Warsi helped the villagers to identify areas that could be proposed as HD sites, to set up a local organization and establish regulations for future HD management, and to prepare the application documents and send them to the district government. The Bungo district government cooperated with the Working Group of Empowerment of Local Populations in the Ministry of Forestry in order to speed up the process of approval (WG Pemberdayaan Departemen Kehutanan RI 2009: 33-6).

Meanwhile by 2012, areas proposed by seventeen communities in the district of Merangin were approved by the Ministry of Forestry as eligible HD sites. The seventeen communities are in the process of applying to the governor for the HPHD license. In the cases in the district of Merangin too, there existed the strong involvement of NGOs from an early stage, as well as the supportive attitude of local governments.

In 2007 Duta Alam Makmur Ltd, a subsidiary of the pulp-and-paper corporate giant, Sinar Mas Group, planned to open industrial plantations in the district of Merangin in order to produce raw materials. The threat of encroachment by Duta Alam Makmur Ltd. resulted in wide protests, from eighteen NGOs in Jambi and the local populations. The protests succeeded in convincing the Ministry of Forestry to cancel the business license held by the company (Poros Masyarakat Kehutanan Merangin 2012: 33). This incident made the local populations realize in addition that the local environment and land use were threatened by not only the encroachment of private companies, but also population growth and commercial agriculture in the district of Merangin. After the Duta Alam Makmur Ltd. had departed, twenty-eight villages took up initiatives to register their customarily owned forest areas as HD sites and customary forests (*hutan adat*) (Poros Masyarakat Kehutanan Merangin 2012: 50-1).<sup>3</sup>

The Alliance of Merangin Forestry Community (*Poros Masyarakat Kehutanan Merangin*), a coalition of NGOs in Jambi, assisted the local populations in their applications for HD. In the process of participating in the HD program, the local populations have encountered several challenges. First, if the proposed areas are approved as HD, the local populations are required to manage the forest areas in the manner of agroforestry. Therefore the populations

must reconcile their income generating activities they have conducted in the areas with the state-imposed requirement of environmental conservation. For example, many local populations have used timber resources existing in local forests both for domestic use and for commercial purposes. By participating in HD programs, village institutions are obligated to prepare forest management plans and send reports to the government offices on a regular basis. In the process, the conventional local use of timber resources could be defined as “illegal logging” from the government perspective, and may not be allowed anymore. Besides, holding a license of HD management is different from having ownership rights, and thus, the populations would not be allowed to buy or sell the land as they used to. The land which the villagers would be allowed to clear for agricultural activities would be also limited (Poros Masyarakat Kehutanan Merangin 2012: 66-8). Concerns that, in reality, it may be difficult to practice agroforestry made the local populations decrease the areas they had initially proposed for HD (Poros Masyarakat Kehutanan Merangin 2012: 53). Second, border issues between communities are often contentious. As the borders between communities living in forest areas are rarely recorded in a written documents, overlapping territorial claims often become difficult issues when local communities wish to determine areas of HD and obtain licenses (Poros Masyarakat Kehutanan Merangin 2012: 68-9).

The example of the district of Merangin highlights the pros and the cons in CBFM policies. By participating in the HD program, local communities are able to obtain state-recognized legal rights by which they can keep encroachment by resource developing companies or migrant populations away from local forest areas for a significant length of time. However, the local populations will have to conform to state policies that determine the range of possible land use, which sometimes contradicts their economic interests. Furthermore, the application to HD could result in conflicts between communities with different territorial claims.

## **2. Cases in the District of East Kutai, East Kalimantan**

The above examination of the province of Jambi shows that long-term involvement of NGOs in assisting local populations, as well as the supportive attitude of the local government have been the favorable factors that made the province the most advanced in CBFM policies. In this section, based on the participant observations that I have made, I examine the cases of two communities that attempted to register local forest areas as HD sites in the province of East Kalimantan. Compared with the cases in Jambi, there were two major constraints in the development of CBFM policies in the cases in East Kalimantan. First, the cases in East Kalimantan demonstrate that government policies that prioritize industrial interests over the progress of CBFM policies become the primary constraints. Second, being endowed with rich forest and mining resources, territorial interests existing among the local populations became contentious and border issues among communities were difficult to solve.

The villagers of Long Bentuk and Mekar Baru in the district of East Kutai, Province of

East Kalimantan, are members of the Dayak tribe, which is native to Borneo. They faced increasing deforestation resulting from decades-long large-scale logging activities, as well as the encroachment of oil palm plantation estates, industrial plantation companies, and coal mining companies on their land use and ownership.

Since 2010, several NGOs in Samarinda, the provincial capital of East Kalimantan, have supported the villagers of Long Bentuk and Mekar Baru to register their customarily-owned forest areas as HD. Being funded by a Japanese foundation, the NGOs have assisted the villagers to form village organizations for HD management (*lembaga hutan desa*), trained them to conduct GPS mapping and survey the forest resources of proposed HD areas, and helped them to prepare the necessary documents for application.

The villagers of Long Bentuk started the process of applying to the status of HD for 40,000 hectares of their customarily-owned forest to the district government of East Kutai in January 2010. The application was approved by the district government in July 2011, although only 11,000 hectares of the initially proposed area were recommended to the Ministry of Forestry to be HD. Based on the recommendation from the district chief, the verification team from the Ministry of Forestry came to the village of Long Bentuk in August 2011. While the Ministry of Forestry did not reject their application, only an area of eight hundred and eighty hectares was approved, because it turned out that the most of the customarily owned forest areas of Long Bentuk and Mekar Baru had already been allocated for the use of Permata Borneo Abadi Ltd., a company of industrial plantation for pulp and paper production in June 2011. By Government Regulation No.6 /2007, local communities can have forest areas approved as HD only when private companies have not received business licenses on the land. To complicate matters further, the eight hundred and eighty hectares that the Ministry approved as HD sites of Long Bentuk turned out to be located within the administrative territory of a neighboring village. It was clear that approval of the area as the HD site of Long Bentuk was an administrative error. The villagers of Long Bentuk and a supporting NGO made an inquiry about the determination of the HD location to the government, but according to the Ministry official who received them, the file prepared by the verification team in August 2011 was missing within the Ministry.

Meanwhile, the villagers of Long Bentuk and Mekar Baru argued that the business license held by Permata Borneo Abadi Ltd. should be canceled, and sent their letters of request to the Minister. The villagers of Mekar Baru were in the preparation stage to apply for the HD program. In order to document the areas of their customarily owned forest areas vis-à-vis Permata Borneo Abadi Ltd. and other encroaching companies, the villagers of Long Bentuk and Mekar Baru conducted GPS mapping activities with financial and technical assistance from the NGOs. However, the supporting NGOs were running short of funds after the two-year support from the Japanese foundation ended in November 2012. The NGOs used to make regular visits to the villages in order to assist the application of the villagers, but without sufficient funding, they had to decrease the number of visits.

In the cases in East Kalimantan, it is fairly clear that both the central government and

local governments gave priority to industrial interests over those of local communities. The area of 40,000 hectares initially proposed as HD by Long Bentuk was decreased to 11,000 hectares by the district government. Both the provincial government of East Kalimantan and the district government of East Kutai have been keen on inviting investments of oil palm plantation estates in order to increase local revenues.<sup>4</sup> The Ministry of Forestry had issued Permata Borneo Abadi Ltd., the pulp and paper plantation company a business license in the proposed HD area in June 2011; meanwhile, the application for HD by local communities had been approved, albeit on a much reduced scale, and recommended by the district chief and had been sent to the Ministry. The case highlights the fact that even the policy makers within the Ministry of Forestry, officially those promoting CBFM policies, are not well coordinated among themselves: within the Ministry, the Directorate General of Forestry Business Management, which is in charge of issuing business licenses holds a stronger power over the Directorate General of Watershed Management and Social Forestry, the section dealing with HKm and HD (Personal communication with Prof. Mustofa Agung Sarjono, Mulawarman University, February 2013). There were many companies, including oil palm estates, mining companies, and pulp and paper industrial plantation estates, that were planning to operate in the areas of Long Bentuk and Mekar Baru. The decision, in which the villagers of Long Bentuk were admitted only eight hundred and eighty hectares of HD, and on an erroneous location, may reflect the government's intention to keep the villagers from gaining HD for the sake of industrial interests.

The other problem that the villagers faced in the process of application to HD was conflicting interests within the local populations, both between communities, as well as within a community.

The six villages located in sub-district of Busang, including the villages of Long Bentuk and Mekar Baru, do not have documented borders separating them, because they had felt that using natural landmarks such as mountains and rivers would be sufficient to indicate borders. However, as increasing numbers of resource-developing companies, such as oil palm estates and coal mining companies advanced on the region and offered to the local populations monetary compensation, which was meager but still significant from local standards, territorial issues increasingly became the source of conflicts between neighboring communities. The villagers of Long Bentuk belonged to the Dayak Modang tribe, which had settled in the region in the nineteenth century. The Dayak Kenyah tribe, to which the other five villages belonged, settled afterwards and was allowed to use the land by the Modangs. Because of their history, the villagers of Long Bentuk felt that their territorial claim was stronger than the others'. Learning that the villagers of Long Bentuk were applying to HD and feeling that their territorial interests might be violated, the populations of other villages started complaining. A lake called "Tekung Mening," which the villagers of Long Bentuk perceived to be of cultural importance from their ancestral history, was located in the territory of Mekar Baru. Supporting NGOs intervened in the argument between the villagers of Long Bentuk and Mekar Baru, and they agreed to cooperate to manage the area of the

lake if the land was admitted as HD. However, territorial issues with other villages still remained.

Even within the villages of Long Bentuk and Mekar Baru, a sizable portion of the populations felt that advancement of private companies would be favorable, and that registration of their customary forests as HD would restrict future use of their forest resources.

A comparison of the cases in Jambi and East Kalimantan makes it clear that the supportive policies of the local government in Jambi have contributed to the progress of the HD programs in the province. However, despite the different outcomes, communities in both provinces demonstrate the shared problems faced by local communities when they participate in HD programs. Participating communities are subjected to state-imposed restrictions on the determination of sites and land uses. The state often prioritizes business interests and environmental concerns over local interests. In the process of determining HD areas, the borders between communities are often politicized. The cases introduced above suggest that, to solve the problems of the weak land rights of local communities and to enhance their welfare, simple acceleration of CBFM policies would not be the answer.

### **Chapter III CBFM Policies and Problems of Land Law Reform**

In my inquiry as to the appropriate policy direction to strengthen the land use and ownership of forest dwelling populations, I will review an NGO's analysis of practical problems that have deterred the progress of CBFM policies, and cite other critiques on the nature of the policies in this section.

#### **1. Practical Problems of CBFM Policy Implementation**

The Partnership for Governance Reform (Kemitraan), an NGO based in Jakarta, has worked with the Ministry of Forestry in forming CBFM policies since the beginning of the government reforms. In its investigation of what is needed to promote the policies, the NGO has analyzed the factors that have kept the programs of HKm and HD from making progress include bureaucracy and lack of sufficient funding at the government of both national and regional levels.

Indonesia's administrative and fiscal decentralization that started as a part of political democratization has ironically resulted in poor coordination between the central and regional governments. The programs of CBFM, including those of HKm and HD are stipulated in Government Regulation No.6, 2007, but the procedures of policy implementation are established in the form of Forestry Minister Regulations. Thus, the provincial and district governments perceive that the Ministry of Forestry in Jakarta should take the initiatives of implementing CBFM programs and providing the necessary funding to the local governments (Kemitraan 2012: 14-8).

Since the beginning of the administrative and financial decentralization, regional governments have been given stronger authority in forming their own policies and budgets than

under the Suharto government. In other words, unless the central government provides a budget to motivate regional governments to implement programs that it hopes to promote, the regional governments do not always conform to the policy priorities of the central government (Kemitraan 2012: 24–6). Consequently, although the central government set the development targets for HKm and HD, the regional governments have not shown a great interest in achieving those targets (Kemitraan 2012: 27–8).

In the implementation of HKm and HD programs, district governments are expected to play important roles in conducting the “non-physical” tasks of facilitating the participation of local communities in HKm and HD programs, for example, education of local populations and preparation of maps. However, within the budgets that regional governments receive from the central government, the “deconcentration (*dekonsentrasi*)” fund, the budget specified to be used for the “non-physical” tasks of facilitation and consultation does not go to the district government, but is misleadingly directed to the provincial government. The Special Allocated Fund (*Dana Alokasi Khusus*), which district governments receive from the central government is not allowed for use for “non-physical” tasks, but only for “physical” tasks, such as building plantation sites and rehabilitation of depleted forest areas (Kemitraan 2012: 36). CBFM programs, including HKm and HD, are not prioritized projects at the district level. District parliament members are generally reluctant about implementing CBFM programs, because they perceive that those programs would not contribute to the growth of locally generated revenues (*Pendapatan Asli Daerah*) (Kemitraan 2012: 36–42).

In the local government administrative structure, the sections that are in charge of tasks related to HKm and HD are not clear. At the level of the central government, the Directorate General of Watershed Management and Social Forestry (*Direktorat Jenderal Pengelolaan Daerah Aliran Sungai dan Perhutanan Sosial*, Dirjen BPDAS PS) in the Ministry of Forestry is in charge of the tasks of HKm and HD. The Office of Watershed Management (*Balai Pengelolaan Daerah Aliran Sungai*, BPDAS) is the central government’s regional office. BPDAS is supposed to “facilitate” the participation of local communities in HKm, HD and HTR programs at the regional levels, but it is not clearly defined in what manners they are to “facilitate”. At the level of provincial and district governments, Forestry Services (*Dinas Kehutanan*) are in charge of HKm, HD and HTR, but no section in the Forestry Service is solely dedicated to the tasks.<sup>5</sup> It is common that within the offices of Forestry Service the tasks of HKm and HD are taken on by the section of Plantation and Rehabilitation of Land where the staff specializes in plantation issues. In that case, rather than the issue of empowerment of local communities, programs of plantations and rehabilitations on the land tend to be stressed in their tasks (Kemitraan 2012: 19–20).

**Implementation of HKm and HD Programs at Different Levels of Administration**

Level of Administration	Office or organization that is in charge.
Central Government	Directorate General of Watershed Management and Social Forestry, Ministry of Forestry. Provincial Office ; Office of Watershed Management
Provincial Government	Forestry Service. Within the office, it is not determined which section should be in charge of HKm and HD.
District Government	Forestry Service. If the district government does not have the independent office of the Forestry Service, different offices could be in charge of the tasks.
Local Populations	Farmer groups in the case of HKm. Village organizations in the case of HD. In both cases, NGO support is indispensable.

(Kemitraan 2012: 19)

At the level of local communities, peasant organizations (*kelompok tani*) in the case of HKm, and village heads (*Kepala Desa*) and village organizations (*Lembaga Desa*) in the case of HD are in charge of the application and implementation of the project. However, in reality, it is impossible that local communities would work alone in either case. Instead, NGOs play an indispensable role in educating the local populations about CBFM programs, facilitating their applications for the license, and finding necessary funding (Kemitraan 2012: 21). The cost for meetings and participatory mappings that the local populations need are generally funded by NGOs, since it is difficult for the local populations to fund the activities by themselves (Kemitraan 2012: 36-42). In reality, there are not many local communities that enjoy long-term NGO involvement, so that the great majority of local communities do not have opportunities to participate in CBFM programs.

Based on the above analysis of the problems, the Partnership for Governance Reform has made policy recommendations, including better coordination among the central and regional governments in implementing CBFM policies, and allocating more financial and human resources on the programs (Kemitraan 2012: 44-8).

**2. Not CBFM, But Land Reform Is Needed**

The CBFM policy reforms recommended by the Partnership for Governance Reform may be important to increase areas allocated to HKm and HD programs, but the increase in areas would not solve the other remaining problems, including border conflicts among local communities, the exclusion of local populations from areas where business licenses are issued, and requirements of environmental conservation that may contradict local economic interests.

To understand the nature of the remaining problems, it is relevant to point out some fundamental problems embedded in Indonesia's legal system. According to Fitzpatrick, Indonesia's legal system is deficient in relation to informal land occupiers, including forest and urban dwellers. Long term land occupiers should be eligible to a property right, but the state

provides no legal basis for acquisition of title through adverse possession. Instead of endowing forest dwelling individuals the ownership rights that have clear legal definitions, the state gives local communities CBFM licenses that depend on administrative discretion (Fitzpatrick 2007: 141-3).

In HKm and HD schemes, the state would endow farmer groups and village organizations with thirty five years of rights to manage the forest area. However, observations made during field research in the province of East Kalimantan suggest that there are abundant informal, yet locally recognized, individual rights of landownership and land transaction (see Urano 2010). The collective license of forest management given to communities participating in CBFM programs ignores and obscures locally available evidences of individual land use and ownership.

The costs of ignoring the individual land ownership among forest dwelling populations are high. Border conflicts have occurred in the process of local communities' determination of HD areas because borders between communities are newly created and politicized in the process of development of CBFM policies. Rather than borders between communities, but individual landownership has been the local norms to be respected. Specifically, the CBFM programs stress "community management," and thus tend to exclude migrant populations. The migrants are not the members of indigenous communities, but they have often been dependent on local forestry resources for extended periods of time. Recognizing the fact that local populations own landownership rights, the government should prioritize de facto land ownership and transactions of informal landowners when issuing business licenses to resource developing companies. CBFM policies are aimed to achieve local poverty alleviation, but one of the fundamental factors that have contributed to impoverishing rural communities is that exploitation of locally available profitable natural resources has been monopolized by business interests that hold licenses. As landowners, the local populations' land use should not be restricted to agroforestry. The requirements of CO<sub>2</sub> emission could be met by restricting the activities of large-scale logging and industrial plantation concessions, which are allocated much larger areas than those of CBFM programs.

As Fitzpatrick argues, in order to strengthen the rights of local populations, rather than CBFM policies, land policies should be adopted based on a recognition of the multitude of small-scale informal land use and transactions, so that the rights of individual, informal, customary landowners are respected (Fitzpatrick 2007: 144-5).

## Conclusion

The Indonesian government has promoted CBFM policies as a means of poverty alleviation among forest dwelling populations, but those policies have not made progress as has been expected. Policy reforms in government administration and allocation of more budget to the programs may speed up the implementation, but do not lead to fundamentally resolving the weak landownership and use rights of local populations and rural poverty.

In reality, there are many evidences of de facto individual land use and ownership, as well as informal transactions that occurred among forest dwelling populations. These individual land use and ownership have not been documented by the government, but are informally admitted among community members. The problems of border conflicts that have occurred in CBFM policies and the continuing poverty among forest dwelling populations result from deficient state land policies that do not recognize individual landownership of informal landowners. Therefore the cases presented above highlight the need to introduce legal reforms in a manner that recognizes individual informal land occupiers.

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- 1 In Indonesia, all forest areas belong to the state, and are categorized into: sanctuary reserve area and nature conservation area (*Kawasan Suaka Alam dan Kawasan Pelestarian Alam*), protection forest (*hutan lindung*), limited production forest (*hutan produksi terbatas*), production forest (*hutan produksi*), and convertible production forest (*hutan produksi yang dapat dikonversi*).
- 2 “Dusun,” a hamlet, belongs to a “desa,” which is the smallest administrative unit in Indonesia. I describe the following case of Lubuk Beringin based on the information given in a pamphlet prepared by the Ministry of Forestry, Indonesian Government, to promote the HD program (WG Pemberdayaan Departemen Kehutanan RI 2009).
- 3 Customary forest, or *hutan adat*, is recognized in the Basic Agrarian Law of 1960 and the Forestry Law 41/1999. Despite the claims of forest dwelling populations over rights of ownership and use of customarily owned forest, the legal status of customary forest is ambiguous.
- 4 In the province of East Kalimantan, private oil palm estates increased more than three times from 156,045 hectares in 2006 to 519,540 in 2010 (Dinas Perkebunan Provinsi Kalimantan Timur, Table 6.24 “Planted Area of Private [Estates] By Type of Crop and Regency/ Municipality (Ha) 2010”). In 2010, the expanse of palm oil plantations in the district of East Kutai is 224,591 hectares, largest among the districts in the province of East Kalimantan (Dinas Perkebunan Provinsi Kalimantan Timur, Table 6.2.1 “Planted Area of Estates By Type of Crops and Regency/ Municipality (Ha) 2010”).
- 5 In fact, not all district governments have independent offices of Forestry Service. When there is no independent office, the office of Forestry Service is combined with other Services, for example, Plantation, Agriculture, and Maritime Services (Kemitraan 2012 : 19).

[Abstract]

## Problems in Indonesian Community-Based Forest Management (CBFM) Policies: Examination of Village Forest (HD) Programs in the Provinces of Jambi and East Kalimantan

Mariko URANO

This paper examines whether the Community-Based Forestry Management (CBFM) policies of the Indonesian government would strengthen local populations' rights over land and natural resources, and if not, what the problems are. The Indonesian government has incorporated the approaches of CBFM in its forestry policies for the purpose of enabling local communities to have secured access to local land and forestry resources within an extended period of time, and therefore contribute to the alleviation of local poverty. From the examination of the provinces of Jambi and East Kalimantan, this paper suggests that CBFM programs, being represented by Village Forest (HD) scheme, would not lead to the fundamental solution to the problems of weak land rights of customary landowners. The CBFM programs, which assume local land rights as collective, would obscure locally available evidences of individual land use and ownership. The investigation underlines the need for legal reform in Indonesia in the way that the rights of individual informal land occupiers would be recognized.