

## Helpdesk Research Report: Domestic politics of land use, land use change, forestry

Date: 16.04.2010

**Query:** Please provide current sources on the politics of land-use, land-use change and forestry (LULUCF) in a domestic context, affecting climate change policy.

**Enquirer:** DFID Indonesia

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### 1. Overview

Indonesia is the third-largest greenhouse gas emitter in the world (after the USA and China) and about 85% of the country's emissions are related to land use, land use change, and forestry (LULUCF), making it the source of one-third of global LULUCF emissions.<sup>1</sup> The main proximate causes of deforestation and land use change in Indonesia are logging (both legal and illegal), land conversion for agriculture and particularly for oil palm plantations, and forest fires.

Despite existing forest management policies, various political and institutional factors make it difficult to prevent deforestation and forest degradation. Based on the limited literature searches conducted for this report, the most significant of these factors are:

- Weak capacity on the part of government to enforce existing laws and implement existing policies, particularly with respect to illegal logging
- Unclear land tenure arrangements resulting in weak incentives for sustainable forest management and limited ability for local people to resist external actors
- Lack of coordination, and at times outright conflict, between central government and provincial and district governments
- Weak mechanisms for promoting and upholding local communities' interests, involving them in land-use planning, and balancing their interests against more powerful government and corporate actors
- Inconsistent and contradictory legal frameworks governing forestry and land use
- Financial incentives for land conversion, most notably for oil palm plantations, without strong counter-incentives or restraining policies

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<sup>1</sup> Pelangi Energi Abadi Citra Enviro, 2007, 'Indonesia and Climate Change: Current Status and Policies', [http://siteresources.worldbank.org/INTINDONESIA/Resources/Environment/ClimateChange\\_Full\\_EN.pdf](http://siteresources.worldbank.org/INTINDONESIA/Resources/Environment/ClimateChange_Full_EN.pdf)

## 2. Indonesia

### **World Bank, 2006, 'Sustaining Economic Growth, Rural Livelihoods, and Environmental Benefits: Strategic Options for Forest Assistance in Indonesia'**

[http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187282&theSitePK=523679&entityID=000112742\\_20070808171951&searchMenuPK=64187282&theSitePK=523679](http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187282&theSitePK=523679&entityID=000112742_20070808171951&searchMenuPK=64187282&theSitePK=523679)

Chapter 3 of this report presents a comprehensive discussion of forest governance and management in Indonesia. It notes that 'weak forest governance has resulted in over-harvesting, rampant illegal logging, rapid forest loss and extensive forest degradation.' (p. 39) Forest crime is still high and corruption remains a critical issue. The report suggests five areas in which forestry governance and management could be improved:

- Transparency: use of the Forest Monitoring and Assessment System, better reporting frameworks and information dissemination, capacity building and technology for decision-making based on good quality information, a comprehensive disclosure policy and effective disclosure mechanisms, and improved accountability for forestry firms.
- Law enforcement: building capacity in enforcement agencies and improving coordination, curbing illegal logging, supporting civil society use of media and investigation to expose corruption and crime, and formalise legal status for third-party suits for forest crime.
- Conflict resolution: implement mechanisms to address concerns, resolve conflicts, process grievances, settle claims, and compensate for losses; establish legal aid and conflict resolution teams; raise standards for social impact assessment; and improve monitoring & implementation of mitigation plans.
- Decentralisation: improve coordination of responsibilities with district/provincial governments, build capacity in regional forestry bureaucracies, and integrate with national dialogue and legal framework.
- Dialogue: engage in a broad-based dialogue on legal frameworks and forestry sector rights, rules, roles, and responsibilities

### **Pelangi Energi Abadi Citra Enviro, 2007, 'Indonesia and Climate Change: Current Status and Policies'**

[http://siteresources.worldbank.org/INTINDONESIA/Resources/Environment/ClimateChange\\_Full\\_EN.pdf](http://siteresources.worldbank.org/INTINDONESIA/Resources/Environment/ClimateChange_Full_EN.pdf)

According to this report prepared by an Indonesian consultancy and research organisation, 'there are many good policies and legislations that favor sustainable forest management in Indonesia. Unfortunately, the capacity of the government to implement and enforce laws is weak.' (p. 6)

Chapter 5 of this report looks at policy gaps and constraints, including environmental policy generally and forest policy specifically. The Ministry of Environment coordinates environmental policy but does not implement development programmes, so 'can only encourage implementing agencies to adopt climate friendly policies.' (p. 56) The Spatial Plan Law could potentially be a useful tool and the report notes that 'A good Spatial Plan followed by strong and consistent implementation should be able to reduce the LULUCF contribution to global warming' but responsibility for developing spatial plans has been assigned to

provincial and district governments, and there seems to be insufficient capacity and provision for enforcement.

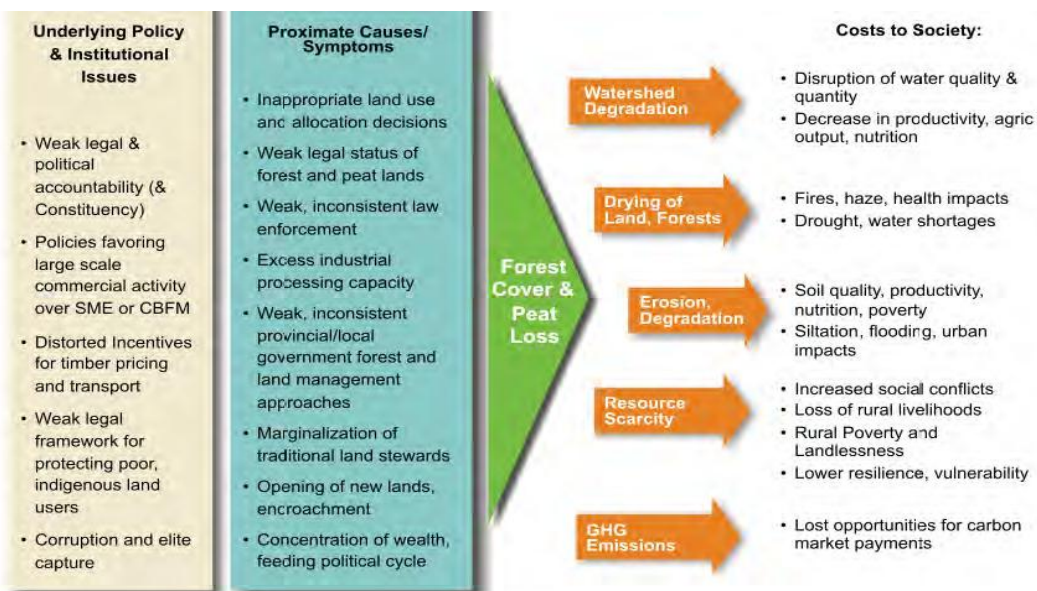
The most important causes of deforestation are (p. 58-59):

- Uncertainty of land tenure and weak governance and institutional arrangements for forest management, which limit options for managing forests sustainably and therefore allows degradation to proceed unchecked.
- Expansion of agriculture, partly by smallholders but mostly due to large-scale plantations, notably oil palm, supported by government and big business.
- Forest fires, both human-caused and natural, the latter possibly exacerbated by human influences.
- Illegal logging is an extensive problem; some reports claim that the volume of illegal logging is greater than that of legal production.
- Inadequate reforestation by timber harvesters, who are required by law to finance reforestation and forest rehabilitation but these efforts have so far been inadequate.

The authors suggest that decentralisation efforts since 2000 have ‘worsened the destruction’ and note that that local officials have been involved in forest destruction and illegal logging. (p. 62)

**World Bank, 2009, ‘Investing in a More Sustainable Indonesia: Indonesia Country Environmental Analysis’, Report No. 50762-ID <http://go.worldbank.org/XJBLTY9M70>**

This report includes an examination of environmental institutions, policies, and governance in chapters 3 to 5. Chapter 7 addresses land use and climate change, and the diagram below summarises the key policy and institutional issues identified.



Source: World Bank, 2009, ‘Investing in a More Sustainable Indonesia: Indonesia Country Environmental Analysis’, Report No. 50762-ID

The report recommends improving forest law enforcement, management and governance; realigning incentives for timber harvesting and processing firms to improve sustainability; restructuring and revitalization of forest sector industries, forest and land fire control; greater equity and transparency in forest/land use decisions; and independent monitoring of legal compliance. (p. 54)

**Syarif, L. M., and Wibisana, A. G., 2008, 'Strengthening Legal and Policy Frameworks for Addressing Climate Change in Asia: Indonesia'**

<http://www.unep.org/dec/PDF/Casestudies/CCIndonesiadraft.pdf>

This report is one of seven national reviews of legal and policy frameworks for climate change in Asian countries sponsored by USAID and UNEP. It finds that current legal frameworks in Indonesia are inadequate, with institutional jurisdiction over climate change issues being unclear and existing laws on environmental matters including forestry being inconsistent and even contradictory. It also finds that even where laws and policies do exist, monitoring and enforcement may be weak or absent, due in part to inconsistencies in the law, but also due to corruption in law enforcement.

**UN-REDD, 2009, 'Indonesia', The United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries**

<http://www.un-redd.org/UNREDDProgramme/CountryActions/Indonesia/tabid/987/language/en-US/Default.aspx>

The REDD programme has about 20 projects in various stages of development. However, variations in scope and aims raise concerns about different approaches for setting reference baselines, monitoring tools and payment schemes which 'may ultimately undermine Government of Indonesia (GoI)'s efforts to move towards a market based nested approach to REDD as seems to be the preferred direction.' Multi-stakeholder participation is important and is managed through the Indonesia Forest Climate Alliance.

Aligning national and local activities is an important challenge. 'Provincial governments are developing policies and shown interest in developing REDD as an alternative for forest development. These efforts are hampered by misunderstanding and insufficient alignment with national level processes. While these initiatives need support, better communication between province governments and the Ministry of Forestry is essential to make REDD successful longer term. The key risk is that if agreements are made at local level which are in conflict with national level policies, early investments based on these commitment will be disappointing for investors which will impacts on future market development.'

**Andrianto, A., Wollenberg, E., Cahyat, A., Goenner, C., Moeliono, M., Limberg, G., and Iwan, R., 2006, 'District Governments and Poverty Alleviation in Forest Areas in Indonesia', Forests and Governance Programme Governance Brief Number 30, Center for International Forestry Research (CIFOR)**

<http://www.cifor.cgiar.org/Knowledge/Publications/Detail?pid=2001>

(Author's abstract) We explain the influences on district officials' ability to effectively address poverty in two forest districts based on observations between 2003 and 2005. We found that centrally-imposed programs have created bureaucratic requirements that officials are reluctant to meet or prefer to use to their own benefit. District initiatives for economic development rarely reach the poor and even increase their vulnerability. This poor performance can be explained by weak incentives and institutions, unclear strategies and information and little participation of the poor themselves. District, provincial and central

authorities need to ensure benefits for district officials who work to reduce poverty, have coherent, simple strategies, enable poor communities to voice their needs, revitalize coordination with funding and stronger leadership, and enable monitoring by districts and communities of government programs impacts on poverty.

**IIED, 2009, 'Forest Governance Learning Group Update', May 2009, International Institute for Environment and Development** <http://www.iied.org/pubs/pdfs/G02496.pdf>

The Forest Governance Learning Group is an informal alliance that operates in 10 countries and 'aims to connect those marginalised from forest governance to those controlling it, and to push for better decisions.' (p. 2) This newsletter describes current activities in each country. In Indonesia, the group is centred in the Ministry of Forestry, with national and district-level groups that meet separately. More than 100 people are involved and are selected on the basis of 'having an agenda of change in forestry...; leadership skills; wide networks and some access to existing resources.' (p. 2) One district-level group is reported to have enabled people with less power to be heard and has 'generated considerable momentum on community logging issues and in stopping conversion of forest into palm oil plantation.' (p. 2) Learning papers are also being produced and the group has a good working relationship with the Ministry of Forestry.

**Limberg, G., Iwan, R., Wollenberg, E., and Moeliono, M., 2005, 'How can communities be included in district land use planning? Experience from Malinau District, East Kalimantan', Forests and Governance Programme Governance Brief Number 16, Center for International Forestry Research (CIFOR)**

<http://www.cifor.cgiar.org/Knowledge/Publications/Detail?pid=1916>

This report argues that government and communities can both benefit from involving local communities more strongly in land-use planning. Benefits include 'detailed additional information on land use and resource potential, land use plan and development activities better known, linked to local priorities and more acceptable to communities.' (p. 5)

However, there are difficulties to be overcome in achieving participation. District governments often lack experience with participatory processes and genuine consultation, have few staff members with technical experience in land use planning, and lack good quality data and maps. District governments are also typically interested in larger-scale planning, and may dismiss village-level planning as 'too micro'. Land tenure and boundary uncertainties are serious problems, as communities are reluctant to plan in detail or for the long term when tenure is insecure. Groups with less power within communities (e.g. women, or the poor) may not participate fully and special care must be taken to integrate them into the planning process.

**Cotula, L., and Mayers, J., 2009, 'Tenure in REDD: Start-point or afterthought?', International Institute for Environment and Development**

<http://www.iied.org/pubs/pdfs/13554IIED.pdf>

This report discusses land tenure in relation to reducing emissions from deforestation and forest degradation (REDD). 'Secure tenure gives local people more leverage in relations with government and the private sector. Insecure tenure, on the other hand, makes them vulnerable to dispossession....' (p. 3) Tenure is linked with governance and requires supportive policies as well as institutional capacity to enforce rights. Poor people are often excluded from decision-making but civic organisations are growing increasingly effective in securing and defending rights.

In Indonesia, the primary legislative framework for natural resources is made up of the Agrarian Law of 1960 and the Forestry Law of 1999. Conflicting provisions have hampered the application of these laws, and application has also been hampered by widespread corruption and by ineffective control within the government, corporations and communities. The government can take land for public purposes, following due process and giving compensation, but widespread violations of these norms have been documented. (p. 43)

Most of Indonesia's land area is owned by the state and under the jurisdiction of the Ministry of Forestry, although some is managed (but not owned) by customary communities. Cumbersome registration processes mean that most (private) land is not registered, and is instead used under customary systems, which provide little protection for private owners and allow wide discretion for government agencies. Even the limited protection at law may not be complied with, and the literature provides many examples of arbitrary and uncompensated takings. Remote indigenous communities that lack official recognition are considered as illegally occupying forest land and are being encroached on by logging, palm oil, and other concerns. (p. 42-43)

Legal reforms adopted after the fall of the Suharto regime devolved forest management and greater shares of timber revenues to local governments but resistance from vested interests, poor planning and legal inconsistencies led to struggles over authority and revenues between central and local governments, to the gradual recentralisation of forest management, and to local conflict about resource access and revenue distribution. (p. 43)

**Rist, L., Feintrenie, L., and Levang, P., 2010, 'The livelihood impacts of oil palm: smallholders in Indonesia', Biodiversity and Conservation vol. 19**  
<http://www.springerlink.com/content/m32w5031j8340743/>

The authors note that 'There is now little doubt that unregulated oil palm expansion poses a serious threat to tropical ecosystems, biodiversity and potentially the global climate.' (p. 1022) The crop has been popular with farmers and many smallholders have benefited economically. However, there have also been conflicts between communities and companies resulting from lack of transparency, the absence of free, prior, and informed consent, and unequal benefit sharing. Studying four communities in Sumatra and Kalimantan, the authors find asymmetries of power and information, and report that companies and local government officials (who have a vested interest in ensuring that plantation developments proceed) made promises that were not fulfilled and became a source of conflict. Unclear land tenure was also an important factor in creating or exacerbating conflicts.

### 3. Comparative international experience

**The Henry L. Stimson Center and the Centre for Strategic and International Studies, 2008, 'The Political Economy of Natural Resources'**  
[http://www.stimson.org/rv/pdf/Natural\\_Resources\\_Meeting\\_Report\\_FINAL.pdf](http://www.stimson.org/rv/pdf/Natural_Resources_Meeting_Report_FINAL.pdf)

This short report summarises an international workshop on natural resource management held in Jakarta in 2008. It notes that 'corruption and mismanagement are pervasive' and describes 'collusion between government officials and businesses'. (p. 3)

Legal frameworks are often poorly constructed, suffer from a lack of capacity for implementation and enforcement, and sometimes merely shift resource exploitation from areas of strict regulation to areas of weaker regulation. Traditional or customary land use has often been neglected in law. Compensation for displaced people rarely takes full account of costs to the environment and livelihoods.

Community-based resource management and decentralisation of government are sometimes seen as solutions to mismanagement, but coordination has not always been successful. 'In Indonesia, empowered local governments have started to issue mining and timber licenses without consent of the national government, resulting in conflicting cases where both the local and national government have issued licenses for the same land to different companies.' (p. 4)

Forest management is often complicated by the lack of a clear definition of what constitutes a forest, as well as by overlapping layers of laws, jurisdictions and responsibilities for enforcement. In Indonesia, 'inconsistencies between central government and provincial laws and enforcement responsibilities create vast opportunities for corruption.' (p. 6)

**IIED, 2009, 'Just forest governance: how small learning groups can have big impact', IIED Briefing, International Institute for Environment and Development**  
<http://www.iied.org/pubs/pdfs/17070IIED.pdf>

This 4-page briefing note provides a concise overview of some key issues in forest governance arising out of a nine-country "Forest Governance Learning Group". The authors note that 'Some of the biggest problems surrounding forests in the tropics are problems of excessive power – wielded by loggers, the oil palm and soya industries and their government beneficiaries' (p. 1-2) and describe (with examples) tactics that have been used by less-powerful actors to engage in forest governance:

- Securing safe space – mutual trust and independence
- Provoking dialogue – connecting stakeholders
- Building constituencies and networking
- Wielding evidence – generating and presenting information
- Interacting politically – engaging with political players

**ITTO and FAO, 2009, 'Forest governance and climate-change mitigation', International Tropical Timber Association and Food and Agriculture Organisation of the United Nations** <http://www.fao.org/forestry/19488-1-0.pdf>

This report summarises findings from a series of regional workshops involving participants from 46 countries. Its key messages are (p. 2):

- Five factors give rise to a lack of forest law compliance: failings in the policy and legal frameworks, insufficient enforcement, a lack of information, corruption, and market distortions. These factors are of varying severity in different regions, and in Southeast Asia the most significant specific problems are inconsistent policies and legal frameworks, lack of independent oversight of enforcement and lack of funds, lack of information, and political interference. Market distortions were not seen as significant. (pp. 4, 6)
- In many countries the policy and legal frameworks need reform, including by eliminating inconsistencies and contradictions and by harmonizing forest-related laws with those in other sectors.
- Compliance with forest laws can best be achieved as an outcome of forest governance reform processes that enjoy the support of all stakeholders.
- The successful mitigation of climate change through reductions in deforestation and forest degradation (REDD) requires effective forest governance.

- REDD cannot be achieved without clarifying rights to land, forests and carbon.
- Efforts to improve forest governance should: clarify land use, tenure and access; enhance forest law compliance and enforcement; reform institutions within forestry, agricultural, and other sectors; develop and implement a national REDD strategy; establish emissions-reference scenarios and an effective monitoring system; and improve the legislative framework (p. 11)
- REDD initiatives should build on the lessons already learned through forest law enforcement, governance and trade initiatives.

#### **Additional information**

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##### **Experts consulted**

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##### **Websites visited**

Google, Google Scholar, IIED, UNDP, UNEP, UNEP Regional Office for Asia-Pacific, UNEP Regional Resource Centre for Asia-Pacific, UN-REDD, CIFOR, CGIAR, ITTO, Tyndall Centre, World Resources Institute, FAO, The Asia Foundation, World Bank, Ministry of Forestry Indonesia

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