



IMPROVING LOCAL GOVERNANCE THROUGH THE KPH SYSTEM

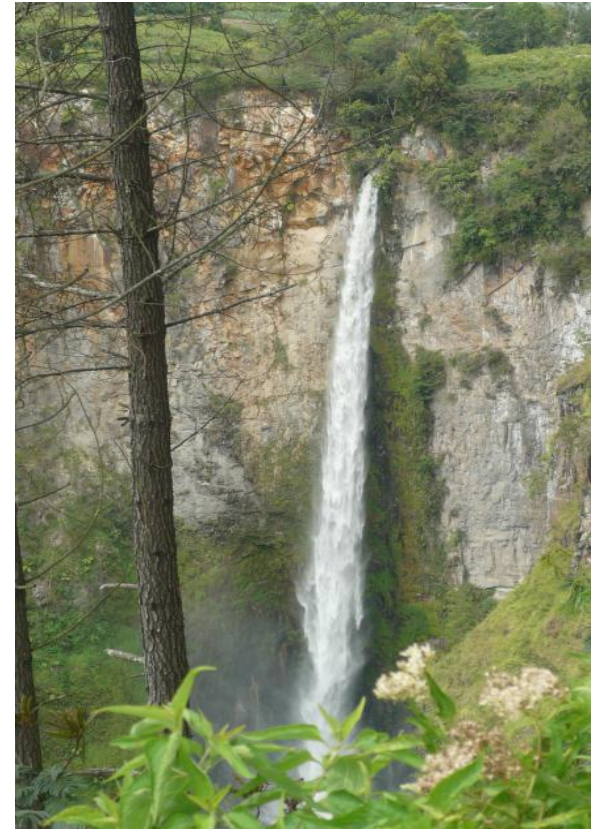


MINISTRY OF FORESTRY
Directorate General of Forest Planning
Directorate of Forest Management Unit and Area Utilization
Preparation Establishment

Ir. Is Mugiono, MM.
Director

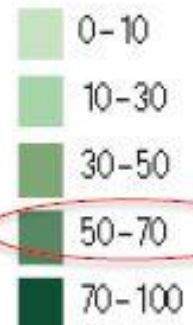
Outline

1. Country Fact
2. Forest Governance
and Decentralization
3. Forest Management Unit's
4. KPH as Entry Point
FIP Indonesia



Indonesia and World Forests

Forest area as percent of total land area by country, 2010 (FRA 2010)



Total area: 130.68 million ha

Country Fact

- Indonesia is an island country with about 187 million ha area,
- Forests occupy about 70% of the country land area,
- Population of \pm 230 million in 2011, expected to face challenges or blessed with opportunities by more than 60% population in productive ages (18-60 years) in 2030,
- Decentralized governance system up to district level with brought about challenges in managing natural resources sustainably especially forest.



Forest Management in Indonesia : Current Condition

FOREST AREA 130,68 juta Ha

CONSERVATION (HK) 26,82 juta Ha

PRODUCTION (HP) 75,00 juta Ha

PROTECTION (HL) 28,86 juta Ha

**Utilization License on
Natural Forest**

24,69 juta Ha

**Utilization License on
Plantation Forest**

9,43 juta Ha

**IUPHHK-RE,
HTR, HKM, dan HD**

1,12 juta Ha

Perum Perhutani

2,53 juta Ha

Designated Model FMU

KPHL 3,89 juta Ha

KPHP 8,36 juta Ha

**HP dan HL
Has Been
Manage 49,97
juta Ha**

PRODUCTION (HP) 75,00 juta Ha

PROTECTION (HL) 28,86 juta Ha

HP dan HL 103,86 juta Ha

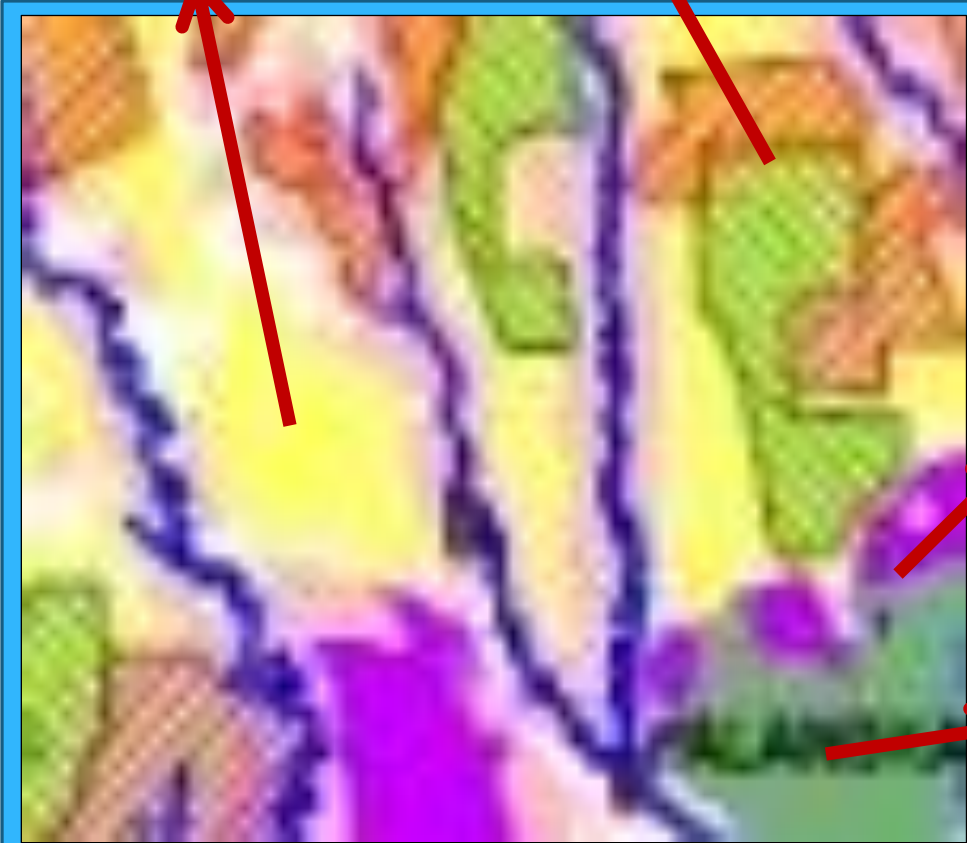
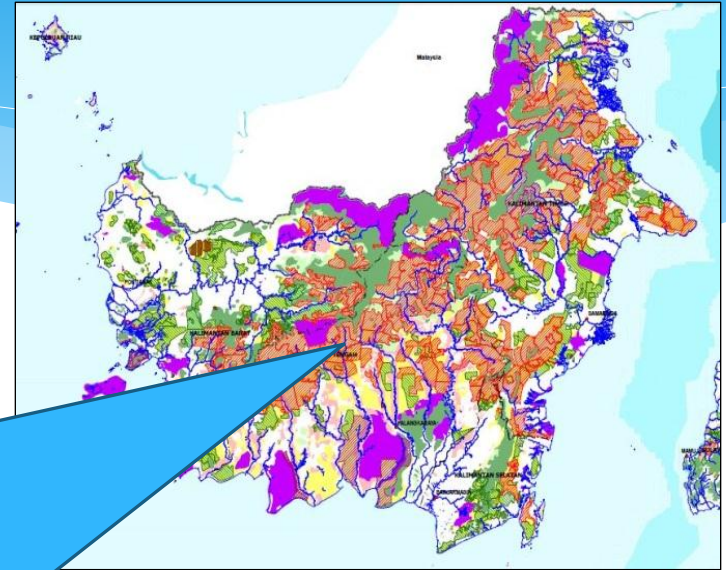
**HP dan HL
Has Not Been Manage:
53,89 juta Ha**



Production and Protection Forest Are Not Manage at Site Level

Production Forest

- Has Been Utilized by License Holder
- Has not Been Utilized



Conservation Forest
Manage by Central
Government

Protection Forest
Has not been manage at
the site level

FOREST GOVERNANCE AND DECENTRALIZATION



Division of Central and Local Government Affairs (GOI Regulation No.38/2007)

GOVERNMENT AFFAIRS

CENTRAL GOVERNMENT

Foreign policy,
defense, security,,
Monetary and
Fiscal I, and
Religion

CONCURENT

COMPULSORY

Such as:
Education, Health,
Environment,
Public Work,
Spatial Planning,
etc

SELECTED

FORESTRY,
Energy and mineral
resources; Tourism;
Industry; Trade, and
Transmigration, etc



Forestry Affair

ADMINISTRATION (Performed by the Ministry, Provincial Forest Service, Regency/ Municipal Forest Service)	ON SITE MANAGEMENT (Performed by FMU)
Planning <ul style="list-style-type: none"> • National, Provincial, Regency/Municipal inventorying • Forest confirmation (designation, boundary demarcation, mapping, forest area stipulation) • FMU area establishment • Forestry Plan preparation 	Planning in FMU area <ul style="list-style-type: none"> • Inventorying in FMU area
Management <ul style="list-style-type: none"> • Forest use planning and preparation of forest management plan (preparation of NSPK and ratification of management plan) • Forest area utilisation and use (granting of permits) • Rehabilitation and reclamation, including community empowerment, seedbeds (if there is an FMU, this is performed by the FMU) • Nature protection and conservation (if there if an FMU, this is performed by the FMU) 	Implementation of management in FMU area <ul style="list-style-type: none"> • Performance*) of forest use planning and preparation of forest management plan • Performance*) of forest utilisation and forest area use • Performance*) of rehabilitation and reclamation. • Performance*) of nature protection and conservation.
Research and Development, Education and Training, and Consultation	Location of research, education and training, and consultation
Supervision	Undertaking supervision in the scope of the FMU region

*) Performance includes developing activities, controlling activities and conducting activities. Example: If there is a utilisation permit in an FMU management region, the performance function shall consist of development and control (in the context of monitoring activities). However, if no permit yet exists for the region being managed, then the FMU must conduct these activities.

**) Forest utilisation includes: area utilisation, environmental services utilisation, timber forest product utilisation, non-timber forest product utilisation, forest product collection. Meanwhile, forest area use concerns use for non-forestry interests (for example, mining, irrigation channels, etc.).

THREE MAIN CHALLENGES:

1. *Decreasing Quality and Quantity of Forest Resources*

(41,24 % of State Forest Area Has Not Been Manage At Site Level)

2. *Low Institution Capacity*

(Forest Institution at Local Government Were Not Directed To Manage Forest At Site Level; Failure to Establish Forest Management Unit)

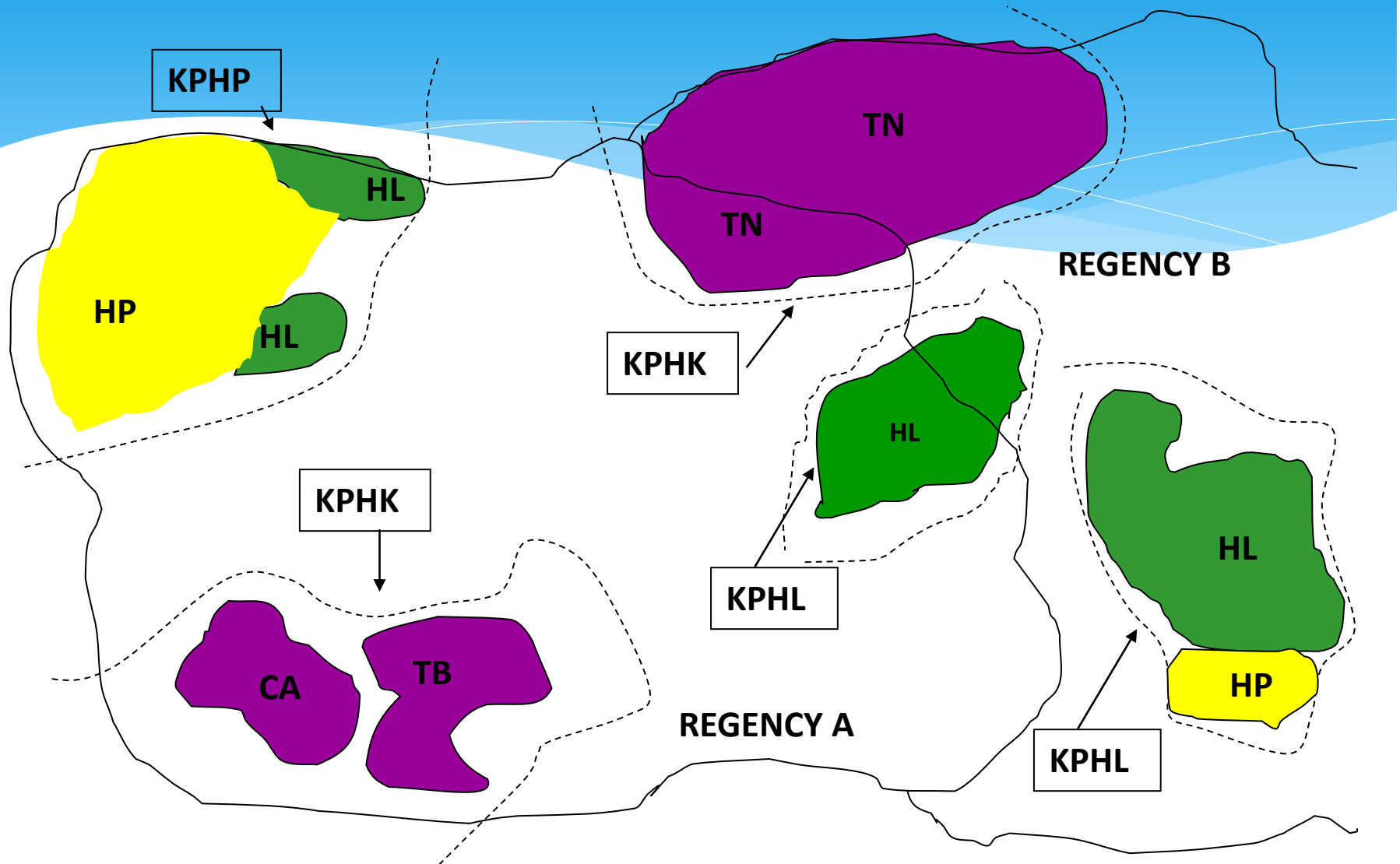
3. *Forest Planning*

(Optimization of forest utilization is still low, Participatory planning involving the community is still limited)

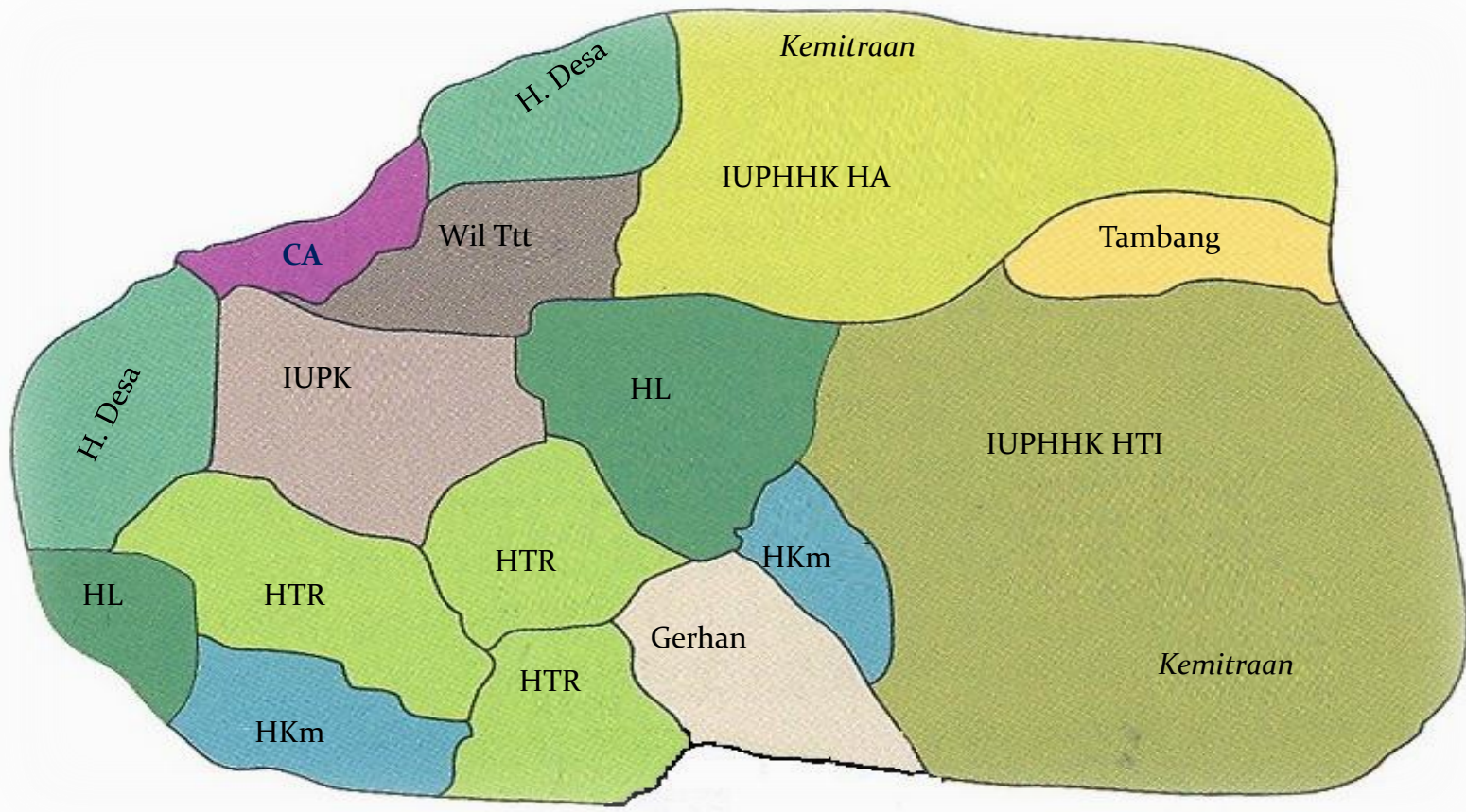
FOREST MANAGEMENT UNIT's = KESATUAN PENGELOLAAN HUTAN



Overview of KPH's Area



KPH's And Utilization License Holders



KPH's: IN BRIEF

- ❑ Forest estate in Ind will be divided into FMU units
- ❑ Protection & Production FMUs (local gov't); Conservation FMU (central gov't)
- ❑ Declared by Minister of Forestry
- ❑ FMU institution is responsible for organizing forest management, NOT organizing forest administration
- ❑ Central, provincial & district gov'ts are responsible for FMU dev't, infrastructures
- ❑ Funded by APBN, APBD, other sources



KPH's: IN BRIEF

- ❑ **FMU ensures forest sustainability:**
 - ✓ **Good forestry governance**
 - ✓ **Forest mgt activities are on the right track**
 - ✓ **Optimizes community accessibility → conflict resolution**
 - ✓ **Facilitates Climate Change funds in forestry sector for community dev't interest**
 - ✓ **Performs MRV**
 - ✓ **Supports forestry sector investment**
 - ✓ **Ensures forest rehabilitation & reclamation**



EXPECTATION OF OPERATED FMU

Definite location in carry out forest mgt activities at site level

Sustainable forest mgt

Contribute to regional income & increase community income from benefiting FMU area

Conflict resolution

Support climate change mitigation & adaptation

Investment opportunity

Encourage community participation & increase their welfare

Forestry sector decentralization

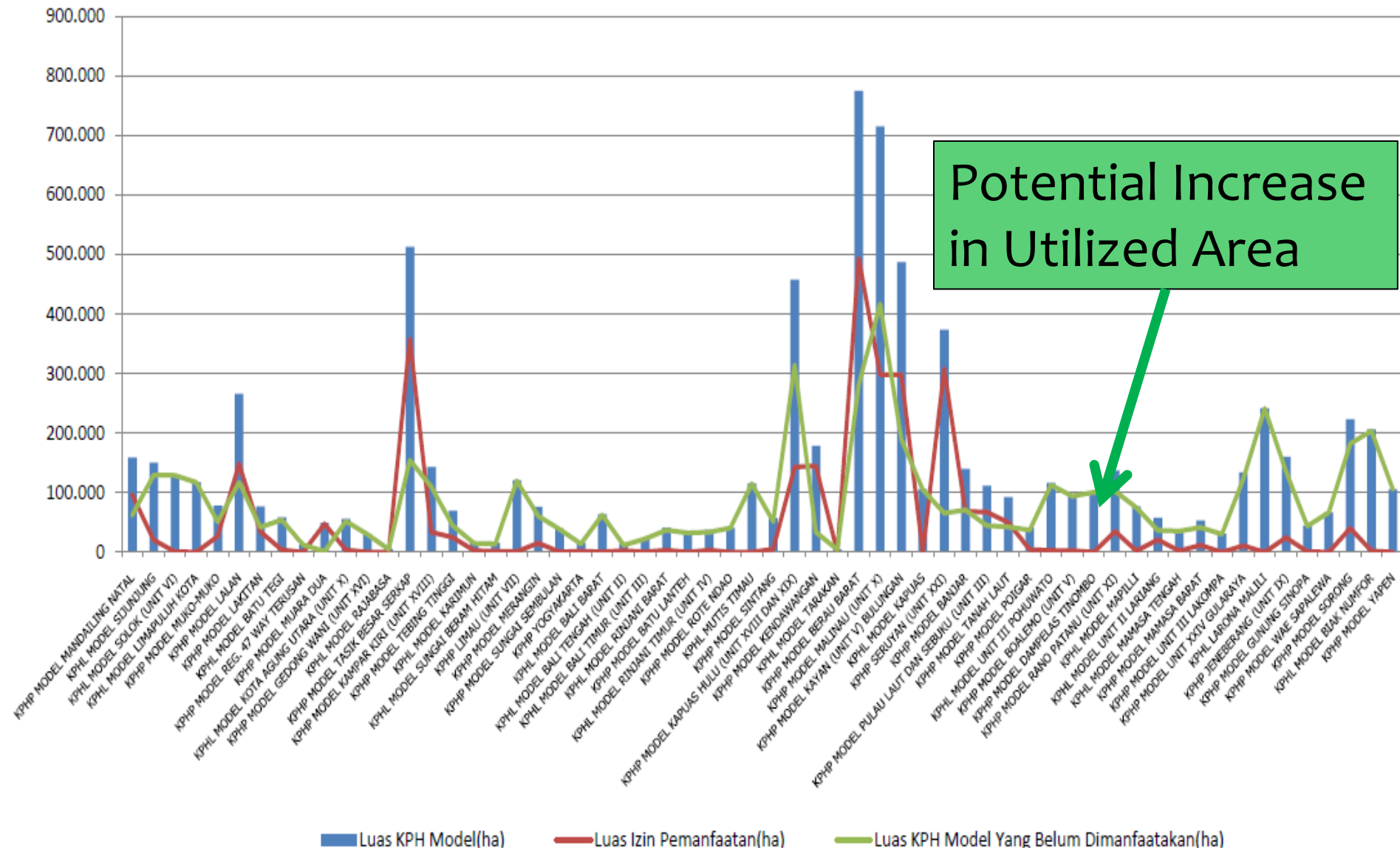


KEMENTERIAN KEHUTANAN

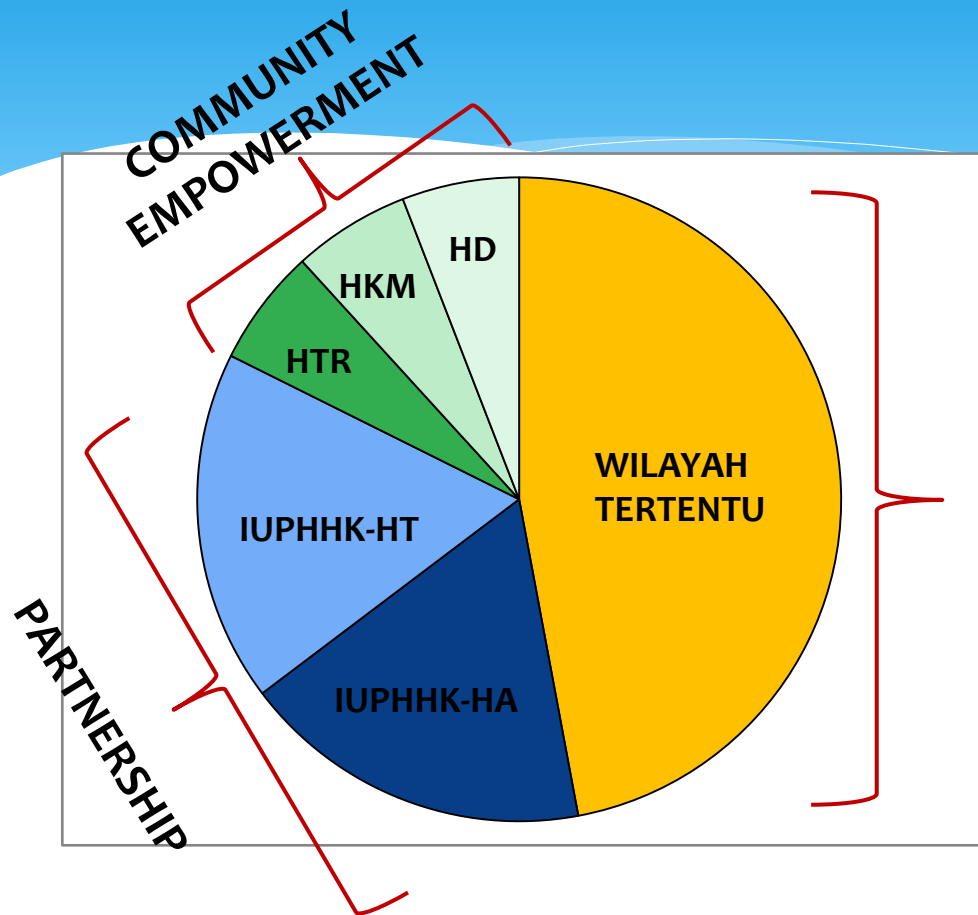
KPH's Development Policy

STRATEGY	FMU DEVELOPMENT POLICY			
	Legislation and planning	National Resources		
		Organisation and HR	Coherence of Programme	Public support
1. Enhancing the Capacity of National FMU Development	Completion of legal framework and national planning, along with their socialisation: 1. Law No. 41/1999 (Article 17 & Article 21) 2. Government Regulation (GR) No. 44/ 2004 (Articles 26 to 32 and Article 37 subclause (2)) 3. GR No. 6/2007 (Articles 5 to 10) 4. Regulation of the Minister of Forestry to follow up GR No. 6/2007 5. National action plan	National development of organisation and HR (objectives, targets and form of HR development)	National institutional development of FMU development (relating to intra- and inter- institutional roles, management system)	Raising public interest in FMU development (DPR, universities, donor agencies, business associations, non-governmental institutions)
2. Development of FMU Institution on the ground	Stipulation and facilitation process for FMU development on the ground: 1. Appointment of FMU areas by the Minister of Forestry 2. FMU Development Team at provincial and regency level 3. Action Plans at provincial and regency levels	Included in the provincial and regency-level action plans through general guidance (from MoF)		

Current State of KPH's Development



Forest Utilization Scheme Through KPH's



Utilization On Wilayah Tertentu (Certain Area)

On-farm Utilization

- Direct Utilization
- Reclamation and Rehabilitation

Partnership :

- Direct Investment
- Capital Sharing

Community Empowerment

- Cooperation



How KPH's Improve Forest Governance Through Decentralization

Business-as-usual	Potential benefits
Forest management continues via current licensing regime	Institutionalized monitoring of license holders within 10 year management plan
Large open access areas in production forests	Decentralized government structure/institution for site-level forest management
Rehabilitation efforts unsuccessful	Clear institutional responsibilities for discrete forest areas/geographic areas
Low level of stakeholder participation; no information sharing or engagement with civil society and local communities	Manage participatory process (e.g. 10 year management plan, "forest use planning" (tata hutan) Facilitate community engagement and empowerment programs via capacity-building activities
No review of competing, undocumented, or overlapping claims (different licenses, community areas)	Facilitate/mediate/coordinate claim holders through transparent data provision
Limited legal access for communities to forest resources, including traditional and indigenous claims to forest land	



KEMENTERIAN KEHUTANAN

KPH as ENTRY POINT FIP INDONESIA



How To Fully Operationalized KPH's ?

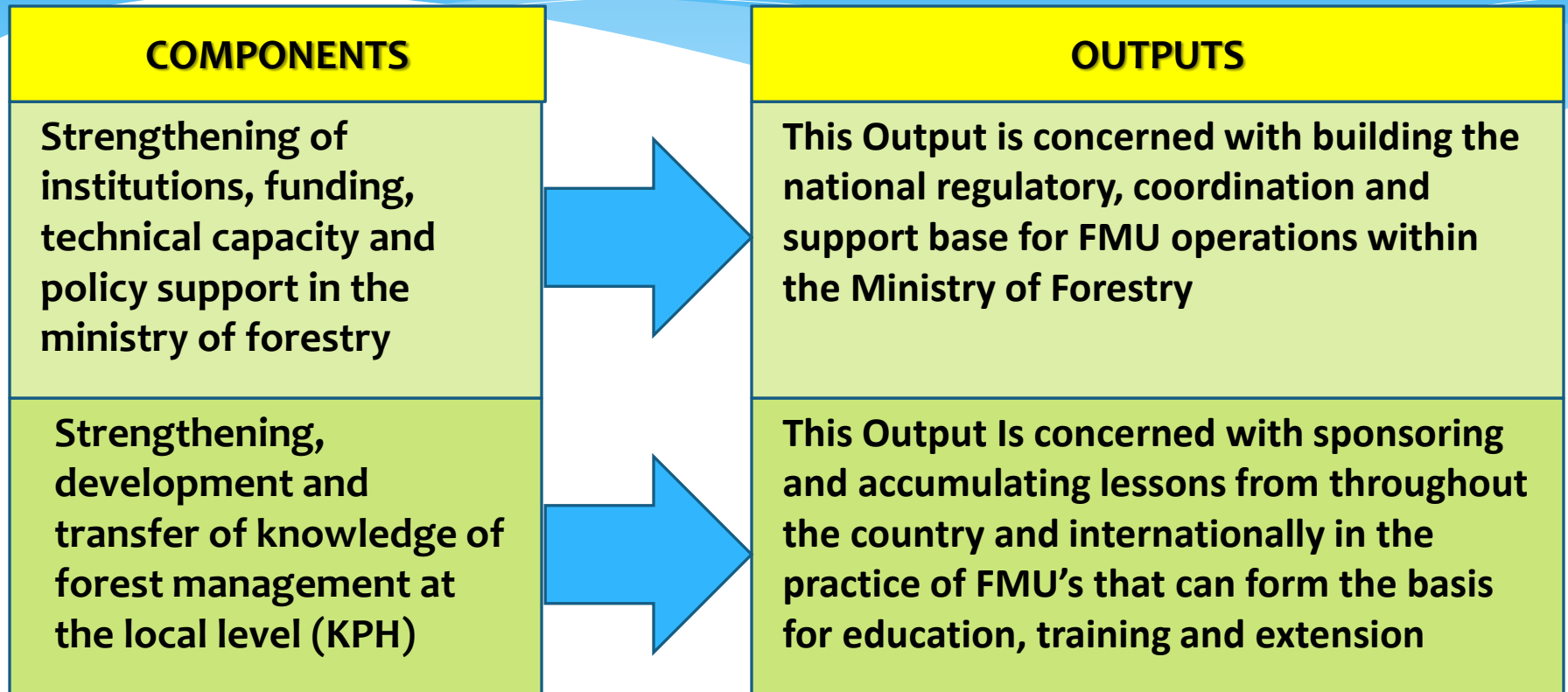
Assist a small number of pilot FMUs to become operational and to engage with local communities and other stakeholders for generation of livelihood improvements and economic benefits from sustainable forest management (an example of SFM by KPH)



At the national level, it is necessary to strengthen institutional, financial, and technical capacity, and support FMU policy dialogue within the national Government

At the sub-national level, it is important to strengthen knowledge generation and knowledge management, and dissemination of FMU Conception

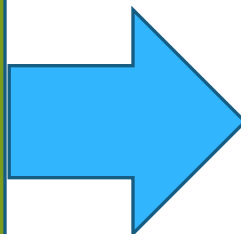
FIP Support



FIP Support

COMPONENTS

Assist KPH to fully operate and independe



OUTPUTS

This Output will support the work of selected FMU's across the country with budget and technical assistance of a sufficient intensity to ensure that the selected FMU's are able to demonstrate sustainable forest and land management, successful public-private partnerships, resolution of conflicting tenurial claims and reduced GHG emissions in their jurisdiction





THANK YOU