



Trip Report: Property Rights, Environmental Services and Poverty in Indonesia

Indonesia: June 19-29, 2006

By John Kerr

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Dates: June 9-19, 2006

Objectives: The purpose of this trip was to present preliminary findings of our BASIS project entitled “Property Rights, Environmental Services, and Poverty in Indonesia.” Our study focuses on the HKm (community forestry) project in Sumberjaya, Lampung Province, Sumatra. The HKm program gives secure tenure to groups of coffee farmers operating on state forest land as long as they agree to plant multispecies coffee-based agroforestry systems, invest in soil conservation, and protect the remaining natural forest. Details of the project are in our BASIS Brief #29, and discussions of our data collection approaches are given in previous trip reports.

Report

We held four seminars for very different audiences and got useful feedback, and we planned how we will write up our results. The different presentations were for researchers, farmers and forestry officials in the study area, and central government officials in Jakarta. This report describes the presentations and the feedback we got. Accompanying it are the overheads from our presentation, notes on the feedback we received from different audiences, and an outline of papers we plan to write.

The four seminar presentations were as follows:

1. International Association for the Study of Common Property (IASCP), Ubud, Bali, June 20

This presentation was for a scholarly society. The meeting had substantial Indonesia content due to its location.

The presentation was a shorter version of the ones given elsewhere and focused primarily on factors associated with access by communities to the HKm program. The motivation here is that government programs are often accessed by communities not just because they fit the program’s objectives, but because they are well-connected to the powers that be and/or they can muster the internal collective action needed to initiate the work. We

wanted to know if that is the case with HKm. The data suggest that to some extent it is; the attached powerpoint slides show some of the evidence.

2. Presentation to farmers and local Forest Department officials in Sumberjaya, Monday June 26

This was a really interesting meeting. Farmers were very enthusiastic about the presentation and gave many, many comments. Forestry officials also gave a lot of comments. The officials were more skeptical about the findings and there were some interesting debates between the farmers and officials. But on the whole the local forestry officials are supportive of the program, most likely because they recall the previous experience of antagonism between farmers and the Forest Department and the futility of the heavy handed efforts to protect the forest in the past.

In March, ICRAF held a similar meeting in Bandar Lampung, provincial capital about four hours by road from Sumberjaya. That meeting also yielded some good discussion and helped iron out some challenges facing HKm in Sumberjaya. Most importantly, for the past 18 months there hadn't been any progress in extending HKm beyond 6 groups in Sumberjaya, but the March meeting helped identify some ways to overcome this deadlock. In fact, the day after our meeting on June 10 additional communities were granted HKm permits, bringing the total to 16.

This meeting yielded some similar constructive developments. Mr. Warsito, the head of the Forest Dept in Liwa, the district capital for Sumberjaya, was an active participant who expressed his endorsement of the generally positive findings from our study and his appreciation of some of the problems that still need to be addressed.

3. CIFOR/ICRAF, Wednesday, June 28

This meeting was primarily for researchers. We got a fair turnout of researchers from ICRAF, CIFOR, and the agricultural university in Bogor. Most of those present were familiar with Sumberjaya, which led to good questions after the presentation. We would have liked to have more people from CIFOR but I think they were worn out by too many meetings in the previous week and a half. Several of them had been at the IASCP meeting the previous week and many more were engaged in follow-up meetings this week. Nevertheless we received some good feedback and the comments are summarized below.

Note that unlike the other seminars, this one included a preliminary discussion of the conjoint analysis on farmers' preference for different contract characteristics possibly associated with a HKm program. This is spelled out in a previous trip report by Brent Swallow. Bustanul Arifin reported on this based on preliminary findings.

4. Meeting at Ministry of Forests, Thursday June 29, Jakarta

This was an interesting meeting because central government forestry officials have a very different perspective on HKm than local government officials. We understood before the meeting that HK has limited popularity among people in the ministry of Forestry and that officials are often skeptical of the idea that local people can be entrusted to protect forests and prevent soil erosion.

Excerpts of discussion notes from the four presentations

1. IASCP meeting

We had a good discussion after the seminar presentation. Here are a couple of questions and answers worth noting:

Q: Did informal local institutions, in addition to helping determine where programs are placed, also play any role in frustrating the government's past efforts to control farming of government forest land through aggressive means like eviction?

Response: We are not sure about this, but we know that after the evictions in the 1990s there was a high incidence of fire in the eviction areas as settlers burned down trees that the forest department had planted. Certainly people had a way to express their own power, but we don't know much about the role of informal institutions in that regard.

Q: Hkm policy rewards people for encroaching on forest land. Doesn't this encourage more encroachment?

Response: Forest cover almost gone already on protected forest land. Previous approach of evicting farmers didn't work, and led to more erosion. But it is a good question, this adverse incentive may be there, and should be studied.

2. Sumberjaya meeting

Here are the notes from some discussion questions we posed to farmers and officials based on findings from our data.

Q: Awareness of HKm: Why are so many HKm members not aware of the program or their membership? What difference does this make for others? How do group leaders deal with it?

Responses by farmers and officials:

Farmers:

--Low facilitation from government; it would be good to get more assistance, for example training in facilitation skills for managing groups.

--It's true that maybe a quarter of the farmers aren't very motivated and don't really understand what's going on, but group leaders manage okay by making sure they understand their obligations even if they are fuzzy on the details.

--One farmer asked us to please not use this information against them!

--Need for innovative approaches to help people see tree planting as a need

Forestry officials:

--many farmers are already implementing the requirements even if they don't understand that it's part of HKm. (Our data partially support this – farmers are definitely planting the required number of trees even if investment in soil conservation is low.)

--none of the forestry officials expressed concern about this finding.

Q: How to deal with the problem that making a map of the group's HKm area is a big constraint that limits access to the program?

--No one had really good ideas about this. Farmers said they are dependent on people within the Forest Department to help or else from outsiders like ICRAF. It's clear that farmers can't make the map alone. The relatively fancy map is required to ensure that there is clear demarcation of groups, of different forest categories, etc., and to avoid inaccuracies that could cause confusion or conflict over whose land is whose. One official pointed out that clearer guidelines are needed on who is responsible for what so that making the map doesn't just fall through the cracks.

Q: Protection of natural forest: what issues and impacts?

There weren't big issues that arose in this regard. HKm leaders said they are doing their best to protect the remaining forest and no one, including Forest Department officials, seemed to think there was a problem. Everyone seems to agree that protecting the forest is challenging and that the FD has too few resources to protect it alone, so the FD and the people need to be allies instead of opponents.

One of the participants pointed out that if the HKm forests are being protected well the pressure might just shift to forests in other areas (e.g., the National Park).

John Pender pointed out that we can get new remote sensing images and analyze changes in forest cover since the start of the HKm program. This will complement the rest of our analysis nicely.

Q: Extension of HKm permits to 25 years is a big bottleneck; what can be done?

No one had good ideas about this. There is a lack of clarity and coordination between West Lampung and Jakarta. The central government is supposed to send a monitoring and evaluation team to assess performance so far and determine whether the extension should be given. This evaluation team has not come yet. The FD complains that it doesn't have the money for the M&E activity. Some of the farmers offered to help raise the money for the M&E team – this is a nice indicator of the fact that they really want to get the long term permit and that they are confident they are doing a good job and so would get the approval. Suyanto pointed out that the HKm groups need to be a legal entity with legal rights so that they aren't just at the mercy of the government. Maybe something like this could be based on the cooperative society system.

Q: How can HKm be more effective in achieving its objectives -- what changes, who should be responsible?

--Farmers suggested that the process needs to be simplified to make it easier to obtain the permits. Several Forest Department officials suggested that the program needs to have more people involved, and also other government departments. They echoed something farmers have said in recommending that other government services could also be made part of the HKm program – particularly to focus on livelihood needs while the Forest Department worries about the environmental side. One farmer suggested that village heads should be more involved (it shouldn't just be the informal HKm groups), and another said he wants more monitoring of the program (presumably so he can show how well his group is doing and get the 25-year extension).

CIFOR/ICRAF meeting

This meeting generated quite a lot of discussion and here are some of the questions and answers:

Q: Our data show that members of HKm groups are more likely to be members of other kinds of groups like coffee farmer groups, labor sharing groups, and water user association members. The water groups are for household water consumption, so WUA members are both recipients and suppliers of environmental services. Does this affect how they operate their land? Do they perform better because they are aware of the impacts and are directly affected by them? (A: Good idea and we need to look at this.)

Q: What is the effect of road access on obtaining HKm? (A: We found little impact).

Q: We also showed that many HKm group members aren't aware of the program. Does awareness of the program affect performance? Do those who are aware of the program also carry out their responsibilities better? (A: another good idea; we can investigate this more with the household data. Note from John Kerr: it may not be such a big deal that many group members aren't aware of it; group leaders we met in Sumberjaya thought they could handle that okay. It might be interesting to look at these kinds of group member awareness issues in other contexts since it's always the case that there are leaders and followers, and that some followers are much more engaged than others. Have people investigated what difference this makes on group performance?)

Q: Are HKm plots transferable? A: Not officially but it doesn't stop them. The HKm agreement is between govt and community. The right is to the community, not individual. Not formally allowed to sell but it's common. (Note from John Kerr: it seems like the government shouldn't care if one person sells his right to be part of the group and farm a part of the land allocated to the group. If the agreement is between the government and the group, small changes in group membership shouldn't be a problem.)

The HKm program is like a lease. It's still state forest.

Q: Does our data show that HKm raises immigration? If you provide rewards to people who use PF are you encouraging more encroachment?

A: In Sumberjaya, migration was very high in the late 1990s and the key factors that sparked it were the reformasi, which meant that the forest department wouldn't harass encroachers, and the the economic collapse coupled with the high price of coffee. All of these things made coffee farming relatively attractive. We don't know much about current migration; this is an important question and a criticism of Integrated Conservation and Development Programs. But in any case the migration we are talking about in our work pre-dates HKm.

Q: Our map of the area (see the attached Powerpoint presentation) shows that private land covers about 70% of Sumberjaya and HKm area is quite small. What is impact of this program on environmental stewardship not just on HKm land but on private land? Isn't the condition of the watershed more dependent on good management of the private land than the HKm land?

A: HKm isn't designed to address environmental protection on private land. Remember that government couldn't protect the Protection Forest land by itself and HKm is the response to the previous problems. The perception is that erosion problems were greater before under forest land, not private land. HKm is supposed to protect remaining forest land while also having good MS coffee plantations. They see private as given. Our results show that the private land has less of noncoffee trees on private land and maybe there's room for some kind of program there.

Q: So far we presented favorable results but are there any negative ones? Anything that will spur government skepticism about the program? (I can't find notes on the answer but the ones that come to mind are the large numbers of people who don't understand the program and the limited investment in soil conservation. Also the concern about possibly encouraging deforestation if this is not well monitored. Later (I think after the meeting in Jakarta), Suyanto mentioned about another area (not Sumberjaya) where HKm seems to be promoting deforestation).

Q: Are ethnic groups dispersed? Does that confound our strata? Can we distinguish between effect of ethnicity and tenure? A: We have different ethnicities in each stratum. In our household data, evictees migrated away after eviction but then returned to their specific plots.

Q from from Beria Leimona (Lei) of RUPES: In Lei's discussions, private land owners complained that people on protection forest land get more attention from government than private land owners. A: We need to check on access to services. Our understanding is that people on protection forest do NOT get access to government services as a result of participating in HKm. It may be that this comment is related to the GNRHL reforestation program, which provides employment to people to plant the trees. Private land is not eligible for this program and maybe that's what private land owners were griping about. (Note that maybe farmers on protection forest are not happy at all about

GNRHL once the employment is over, because they are stuck with a lot of non-coffee trees they don't want. We looked at tree survival rates on GNRHL vs non-GNRHL plots and didn't find any consistent differences.)

Q from Lei: Private land holders seem to be better off than others. Investment in sediment pits is higher among private holders. But Lei's discussions with people on private land suggest that some of the sediment pit investment was ten years ago and you can't see the effects very well now. A: We tried to sort out the timing of investments, distinguishing stocks vs. flows. We asked about what stocks are there and then when they were constructed. So we are fairly confident that we are representing effects since HKm was established.

Q: Terracing sometimes causes more problems than it solves because it requires digging up bad soil. Any info on that?

A: Terraces can also cause gullies if they aren't well maintained. In any case, HKm requires that people do some form of soil conservation – it could be sediment pits or terraces. So if terraces aren't appropriate people don't have to do it.

Q: How can you say something about household characteristics based on your area-based sample? A: We associate a HH characteristic with the plot that was sampled. But it's not clear cut. There are tradeoffs between area-based sample and household-based sample. We did area-based because we were interested in how the plots are managed. We do know what other plots people have. We can say that we know the average household characteristics of people operating these different types of plots (even though they may also be operating others too.)

Q: Eviction as part of people's history: what implications for their general attitude toward government programs? A: People who have been evicted in the past feel a bit less secure than the people who weren't evicted. Evictees perceived a greater impact of reformasi than Hkm on their sense of security.

Q: HKm as a reward for ES. What is people's perception about whether they are providing an ES? A: People perceive that if they are doing the required practices they'll reduce erosion.

Q: Did we disaggregate our responses by gender? A: We didn't look at it. Almost all HKm members are men. But women's contribution to land management is high. Male and female education: female education had a greater impact than male education on profitability.

Q: Part of the reason the 25-year HKm permits haven't been extended is that the government can't organize the required Monitoring and Evaluation exercises. If the government can't do M&E, what will happen to forest management if in fact a 25-year permit is given? A: With the 5-yr permit incentive may be higher than with 25-yr. We don't know what will happen with the 25-year permit but it's an issue. How much leverage does the government have? Eviction threat may not be credible. Could the

government introduce graduated sanctions? This may be part of the reason the central government is slow to approve 25-year permits; they are not sure how to address this issue (our discussion in Jakarta supports this as a concern).

Q: In Jakarta for the forest officials, what will be our recommendations?

--facilitate access to program and preparation of the map.

--lack of program awareness suggests the need for facilitation.

--evidence so far does suggest that HKm is helpful in terms of tree planting; the promise of tenure security can in fact lead to more tree planting..

--can't see much yet in terms of HKm income effects but people do feel positive about it.

Jakarta meeting

Comments and questions from Ministry of Forests, June 29

Chair: Mr. Dodi Sukadri. The 3rd level official in the Forestry Research Institute.

Chair's comment to start the discussion: We focused mostly on HKm. What about program sustainability? Is ICRAF done? What next? He doubts the sustainability of the program after ICRAF leaves.

Q: From the findings presented, she thinks HKm is having a positive impact on the environment. Wants to know what's are the main problems facing the two groups: HKm in process and HKm with permit. How do we assure a positive impact?

A: What we heard from farmers in Sumberjaya is that applying for the permit and especially making the map are big problems in applying for HKm. For those with a permit, moving from 5 yrs to 25 yrs is a big problem.

Q: What are ICRAF's plans for future sustainability of the program? A: ICRAF is providing back-up for activities in the area. Local Forest Department people are the ones who really make it happen. So if ICRAF leaves, the program should still be in good hands with the local FD.

Q: What's the impact of HKm on reducing erosion? Is there already a mechanism for providing the environmental services? Is there any increase in the community's income? Maybe the Forest Dept could take steps to help local people become more familiar with the program.

A: The presentation discusses the steps taken to promote soil conservation. In addition, ICRAF is doing research on sedimentation in Sumberjaya and trying to cooperate with PLTA, the electric company operating the hydroelectric plant. This is still in progress. Also, watershed function doesn't always depend on land use. Climate can be a big problem – lack of rain. Regarding the success of the program, thanks to Sumberjaya's history it is not a secure place but now there are many improvements. Making rewards

for people - something is working. Continued progress will depend on actions of the MOF.

--Reply from Chair: need an agreement between the MOF and all the people involved Especially regarding sensitive aspects like land tenure. Needs to be more clear so no misunderstanding.

Q from woman from the office responsible for HKM: HKM seems to be moving faster in the field (in Sumberjaya) than in the office. She explained about the procedure for gaining a 5-yr permit and then 25-yr permit. She's holding discussions with legal people in her office about regulations concerning HKM. It's still in progress. All the HKM regulations haven't been clearly implemented and need to be sorted out with the law division in her office. From the research results she concludes that the local people expect an income increase due to HKM and she wants to help to make that expectation come true. First they need clearer procedures to help strengthen HKM.

--A: HKM is happening in Sumberjaya and the department needs to catch up. Asked her if it has also moved in other parts of the country.

--Official's response: Some progress in central Kalimantan, South Sulawesi, Nusa Tenggara Barat, Jambi (Sumatra north of Sumberjaya). In Jambi they also asked for an extension and are waiting for the central govt to clarify. [Note: Indonesia is a huge country and she only mentioned a few places. That suggests practically no progress.]

--We asked the total area under HKM but the topic changed before the question was answered.

Q: What factors determine who wants HKM and what attracts them to the National Park? What facilities are available? Difference in definition between HKM and other community forestry program (GNRHL – discussed in November '04 trip report). Chair: Wants to discuss later.

A: The National Park should be untouchable. But Suyanto went there and found that there's no forest. Contradiction between regulation and reality.

--Facilities: so far they just get the permit to be on the land but eventually the people want additional facilities (govt services). So far there aren't any.

--Central govt needs to do M&E to see performance. If no improvement government has the right to withdraw the permit. (But if people are doing a good job the implication is that they should be rewarded.)

Q: Given that ICRAF knows that the NP has no trees and the real situation is that people are farming there, ICRAF should do a social history of the place and understand how it became that way. Any logging history? What services beyond Forest Dept are there?

A: ICRAF's two objectives: 1) rehabilitate the environment and 2) increase people's welfare. HKM may be a mechanism for both of these. (ICRAF has also done previous research on biodiversity and other issues on the biophysical side.)

Q: Why is multi-purpose tree species planting higher on HKM land than on private land and the National Park? Is the FD's facilitation already effective?

A: Suyanto: HKm only on Protection Forest. They're planting trees like they're supposed to – the incentive of secure tenure is working. Please come evaluate it. Come and find out if there is also some negative impact of HKm, or any negative side effects.

Chair's summary:

Follow-up actions are needed:

- Make the next discussion include the researchers in the FD.
- Clarify definitions (e.g. of 'assets', forest tenure types, HKm vs. community forestry).
- Formulate better regulations and policy recommendations like the woman from the HKm office was talking about.

Discussion afterward among the BASIS team:

Suyanto explained that the officials we met might be concerned that we are trying to push for reclassification of forest lands. A recent report by CIFOR and Forest Trends presented legal arguments suggesting that vast areas of forest land do not belong to the government but to indigenous people. As a result, Forest Department officials were concerned about our discussion of "assets" belonging to farmers because we made it sound like the government land people farm is their asset. The government is sensitive about this and we need to be more careful about that. Also, we referred to land prices but we should have said land values given that the people don't own the land and thus can't sell it.

Obviously the Forest Dept is sensitive about these things and we need to bend over backwards to be clear.

--Problem of unclear rules: why is it taking so long to extend the HKm permits to 25 years? Are there specific concerns about HKm or are there just procedural issues? Answer based on our discussion: it seems that there are mainly procedural problems and the officials we met really do want to look for practical next steps.

--They were generally happy with the findings.

Plans for writing up our results

We agreed that we should be able to write several journal articles out of this study, and possibly an IFPRI Research Report. Such a report could be co-published with ICRAF and MSU as appropriate, and co-authored by all the people involved in the work including related ICRAF work. Here is an outline of what a research report could look like; various journal articles flow naturally out of this. Note that we won't necessarily wait until the research report is ready to submit articles.

Draft outline of a research report:

1. Intro: why this study and an overview of the main issues. Broader international context and what it contributes to the literature. Main issues on PES and land tenure as a

reward mechanism. What kinds of environmental services? What are some generic issues about them (sedimentation, biodiversity, carbon, water). What the study is about.

2. Context: Indonesian forest issues, coming down to Sumberjaya. How do the main PES issues play out in the Indonesian context and why do we move to group-based land tenure as a reward mechanism? What are the specific issues surrounding environmental services that are at issue? This would draw heavily on the existing ICRAF work by Meine van Noordwijk and others.

3. Conceptual framework, overview of methods, data for our study. A broad overview of the three different things we looked at as per the proposal. How they fit together. Save the details on the methods for each separate chapter. What data we collected, why, how.

4. Factors associated with access to the program (including bridging and bonding social capital); awareness of the program... (Based on the IASCP paper, which is an update of the paper from the September '05 BASIS TC meeting.)

5. Impacts of the program, drawing on all that John Pender presented in our Indonesia seminars (see Powerpoint file), plus something on changes in forest cover that we hope to add.

6. Preferences for contract characteristics, based on the conjoint analysis work that Bustanul Arifin is doing and that Brent Swallow designed.

7. Conclusions and implications

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Posted 7/19/2006

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