

## **Forest initiative hijacked by brokers : Ministry**

The Forestry Ministry's people's forest (hutan rakyat) initiative has hit a snag with the ministry finding that an overwhelming number of proposals for joining the program were made by brokers seeking to take advantage of government spending and industry incentives, an official at the ministry has said.

Of 2,930 proposals received by the ministry from Oct. 2012 until April 2014, only 110 have been processed, inspected and approved for loans, according to the head of the ministry's financing division for forest development, Agus Rahmadi. Agus said the ministry had screened the proposals and found that only 10 percent had a sound business plan.

"Out of all the proposals we got for the peoples forest initiative, only 10 percent of them were approved, which amounts to Rp 37.7 billion [US\$3.29 million] in loans," said Agus.

The ministry also found that many of the proposals were written by individual brokers, the majority of which coming from the Lampung and Bengkulu provinces where forest regulations are rarely enforced.

"There are no proper regulations in place to bar people from joining the initiative," he said. Director-general for the development of river basin areas and social-use forestry (BPDAS-PS), Hilman Nugroho, said there were currently 10.2 million forest village dwellers living in poverty, and the ministry had the obligation to empower these people and help conserve the forests.

"If they are not empowered, then forests could be destroyed and become critical landmasses," said Hilman in his presentation at the ministry office in Jakarta, on Monday. Hilman said the increasing number of people joining the initiative could yield both ecological and economic benefits for the country. Gutomo Bayu Aji, a researcher at the Indonesian Institute of Sciences (LIPI), cited several ecological benefits of the program, including the mitigation of floods and landslides and the rejuvenation of dried wellsprings.

Even so, he said that implementation of the program in the field was weakly regulated, as in the case of the selling of land management rights.

"For instance, the rights to land use can be auctioned off to farmers, but also to corporations. This is one reason why many foreign coffee companies own plots of land in West Lampung," Gutomo said.

Gutomo also criticized the ministry for its outdated approach in implementing the initiative.

"They [officials of the directorate-general] still believe in the old paradigm that the forestry sector only produces timber [...] They only prioritize the corporations," he said.

Data from the ministry suggests that people's forests have contributed up to 46.9 percent of the national industry demand for logs.

In 2013, the wood products industry employed 28,054 people in Java alone, consuming 74,879,509 cubic meters of logs in the process.

In accordance with Presidential Decree No. 6/2007 on forest management, planning and use, the ministry is to provide the public with the necessary mechanisms for developing legally owned forests for their own economic advantage.

The ministry would, among other things, facilitate sustainable financing (dana bergulir) allocated from the state budget, seedlings through the community seedling plantation (Kebun Bibit Rakyat) initiative and technical guidance and counseling. (tjs)