

Agency to get boost for local forest plans

The Forest Development Funding Agency will get a new remit allowing it to direct more money to community forest development initiatives in 2012, according to an official.

The Forest Development Funding Agency is a non-bank financial institution formed by a joint ministerial decree issued by the forestry minister and finance minister in 2007.

The decree stipulates that the agency can only finance public plantation forests (HTR) and industrial forest concessions (HTI) in production forest areas.

Ministry secretary-general Hadi Daryanto said that a decree was currently under review to expand the authority of the agency to finance other community-based forest development projects. "The draft of the decree has already reached the ministers' desks. It is expected to be signed this December, so we can implement it next year," Hadi said.

Afri Awang, a special assistant to the forestry minister for community empowerment, said that the agency would be able to finance nine forest development schemes after the decree was revised.

"Besides the People's Forest program, it could also finance community forests, village forests and even ecosystem restoration," he said.

The People's Forest program is a forest development scheme carried out on plots of land owned by individuals, while the community forest and village forest involve land owned by the state.

The agency currently has Rp 3 trillion (US\$330 million) available from reforestation funds. However, disbursement has been slow due to a low number of HTR permits issued by regents and mayors.

Forestry Ministry Zulkifli Hasan said that communities that wanted to develop forests could benefit from funds provided by the Forestry Management Authority. "We provide Rp 8 million per hectare with a grace period of eight years," he said.

The money would give struggling communities breathing space to delay harvesting their forests before they were ready, Zulkifli said.

"Due to daily needs, there are communities that harvest 3-year-old trees, despite the low prices. If they wait until the trees are seven years old, they will get better prices. For example, [the price of a] sengon tree can reach Rp 300,000 per log," he said.