For a Hutan Desa permit to be effective there is a need for accurate verification not only for administrative requirements but also to verify whether Hutan Desa is indeed the best option. This includes understanding local institutions and their relation to forests and designing an appropriate option together with involved communities. For example, where the traditional way of life includes protection of the forest, the government might support the formation of a management board rather than mandating the village enterprise to manage the forest.

Where a Hutan Desa permit is seen merely as a solution to local demand, better governance will not follow. The process should not stop with the issuance of the permit but needs to involve a process of facilitation that helps people to develop and implement their management plan.

Main messages

- Legalizing local community governance through Hutan Desa (Village Forest) permits can secure communal rights and protect the resource against outsiders. However, administrative procedures often take precedence over verification of conditions. Thus not all Hutan Desa permits that are formally approved are, in fact, clear and clean in terms of land status and rights’ holders.

- Granting Hutan Desa status without proper verification of village boundaries or considering local rights and traditions can lead to conflict between customary and administrative institutions.

- Assigning village enterprises to manage village forests assumes that the village forests are to be managed as an enterprise for profit. This might be a conflict of interest between government doing business and overseeing good governance of forests.

- Designating a village enterprise to manage a forest does not automatically make a Hutan Desa permit a profitable enterprise as not all village forests can, or should, be managed for economic purposes only.
Introduction

For the period 2010–2014, the government targeted 500,000 ha to be allocated as Hutan Desa (village forest) (MoF 2011). However, the achievement was less than 40% of the target. Besides the small amount of budget allocated (Warta Ekonomi 2014), several other issues have constrained progress.

The Minister of Forestry Decree No. P. 49/2008 on village forests defines ‘villages’ as ‘legal community units with clear territorial boundaries and the authority to regulate and manage the interest of local people in accordance with local origins and traditions, and recognized and respected by the Indonesian government’. Since the late 1970s, originally autonomous villages were standardized and incorporated into the government bureaucracy (Antlov and Sutoro 2012). With the reforms of 1999, village autonomy was returned but villages had lost their ability to take advantage of it. Further changes in laws, and an increased dependence on government funding for development, is further constraining real village autonomy.

A ‘village forest’ (Hutan Desa/HD) is uniformly defined by the Ministry of Forestry (MoF) as a state forest not encumbered by previous rights and managed by a village to improve general village welfare. Three issues emerge from this definition. First, ‘no rights’ is understood as ‘no rights given by the State’, that is, the MoF. Traditional rights of local people are therefore not recognized. Second, village forests are located within village territory. However, a large proportion of the 73,000 villages in Indonesia have no clearly demarcated and legalized administrative boundary. And third, village-managed forests located outside the legally designated forest area are not considered village forests and therefore are not entitled for support nor are their traditional village rights secure.

These issues are highlighted in this brief, the second in a series of four. The legal framework for HD is defined by GR No. 6/2007 with procedures and conditions for obtaining a HD license set out in Ministerial Decree No. P. 49/2008. A detailed explanation on the procedure and conditions is can be found in the Forum Komunikasi Kehutanan Masyarakat (FKKM) newsletter, Info Kehutanan Masyarakat tentang Hutan Desa (FKKM 2012).

Village forests in Bantaeng district

The district government of Bantaeng in South Sulawesi province has been one of the first to establish a policy to promote management of forests by local communities and adopt the Minister of Forestry (MoF) policy on Hutan Kemasyarakatan (HKM/Community Forest) and HD.

The government was also one of the first to promote economic development through establishment of village enterprises or Badan Usaha Milik Desa (BUMDES) and assign these new agencies as the responsible bodies for management of HD. The HD are reported to be well managed, providing water for the town of Bantaeng and some 300 ha of rice fields as well as income for the village people (Balang 2013). The people in charge express high hopes for the future.

The HD of Campaga village in Bantaeng district was formalized through a permit issued by the governor of South Sulawesi province in 2010 [1]. Villagers are now in charge of managing 704 ha of forest in three villages—Labbo, Pattaneteang and Campaga—in Bantaeng, with village enterprises in charge of management.

Traditional rights and territorial conflict

Conflict between villages about boundaries is increasing because land is becoming a scarce resource, investors are promising easy profits and government is demanding that permits are conditional on clearly demarcated territories. An added complication is the traditional rights claimed by individuals.

This complexity is shown in the case of the Labbo HD, where more than 100 ha of forests is located within the village territory of Bonto Tappalang, part of which is claimed by 27 people from the neighbouring village of Kampala. The village enterprise of Bonto Tappalang claims the right to manage their part of the forests although the official permit is with the Labbo enterprise. Although an agreement among the villages has been reached, in fact, the HD is managed by individuals on individual plots without an overall management plan. What can be done?

First, designating a HD should be preceded by a thorough process of free, prior and informed consent accompanied by building the capacity of the chosen village institution that will manage the HD. Second, the rights of villages and villagers to their territory need to be clarified and formally recognized. And third, designating and formalizing village administrative boundaries needs to follow a similar process as is required for forest gazettement, based on consultation and negotiations with local communities and actual placement of boundary markers in the field.

[1] Decree of designation by the Minister of Forestry in 2010; permit issued by the governor in 2010; working plans approved by the governor in 2012; annual work plan approved by the district head in 2014.
HD for livelihoods?

The government of Bantaeng has so far been fully supportive in involving local people in forest management. Through the HD program, community institutions are responsible for protecting the forests (Ministerial Decree No. P. 49/2008, article 34) and reducing deforestation and degradation rates, which are reported to be 0.84% (Balang 2013). At the same time, HD are expected to secure livelihoods.

However, while providing legal access, HD often curbs local practices. The regulation (Ministerial Decree No. P. 49/2008) prescribes a series of steps to define a HD according to criteria, which local people might not always understand or which might prove difficult to fulfil. For example, a request for a HD permit needs to include a map at scale of 1:50000 and a detailed description of the forest's functions, the potential and the topography. As a result, like HKM, a HD permit application needs the support of a third party.

In Labbo, the forest has been divided into 0.5 ha plots that are all managed individually, mostly for growing coffee. Rather than promoting a collective effort in managing the forest as a whole, the Labbo BUMDES requires that 20% of the income from the forest goes to the BUMDES, thereby strengthening individual use at the price of decreasing income.

If HD is to be a commercial enterprise for the benefit of the whole village, rules and mechanisms for investment and equitable benefit sharing need to be developed. If the village claims rights to the profits it also has the responsibility of investing, be it in time, money or skills. The equitable distribution of benefits from the HD also needs to be clarified.

The law allows HD to be developed for timber exploitation, where the area is designated as ‘production forest’, through an additional permit (Izin Usaha Pemanfaatan Hasil Hutan Kayu dalam Hutan Desa /IUPHHK-HD). The government regulation limits exploitation of timber in HD to 50 m³ annually. This limit is not effective and not profitable when compared to the procedure to obtain timber exploitation permits in village forests (IUPHHK-HD), which is complicated, time consuming and consequently expensive. If HD is meant to go beyond merely subsistence and provide additional income for villagers, it would be far better if a timber quota was determined based on the production capacity of the forest. Nevertheless, people need to understand the consequences of such a decision as it involves adherence to other regulations, such as procedures for timber trade and payment of fees and royalties.

Is the village enterprise the right institution to manage village forests?

Driven by a district regulation on village enterprises (PERDA No. 10/2006), all 46 villages in Bantaeng have established enterprises (BUMDES) according to the general structure as laid out by the different laws and regulations (Law No. 32/2004, Permendagri No. 39/2010, PERDA No. 10/2006): management consists of the village government, functioning as advisors, and local people in charge of operations (directors). To aid development, the government of Bantaeng has provided each enterprise with start-up capital and a vehicle.

With the enterprises already established it seemed appropriate to mandate the management of HD to these organizations. Two main constraints are
highlighted here. A village enterprise is expected to provide income to the village through service provision, trade in the nine basic commodities, trade in agriculture, and through development of small-scale and home industries. Although HD might provide environmental services, these are not often feasible as a profit-making enterprise. Second, potentially there is a conflict of interest between the village enterprise managing a forest for profit, the involvement of the village government in running an enterprise, and the role of the village government in overseeing good governance. As well, not all individual members of the community might agree on the involvement of the enterprise. Third, without real free, prior and informed consent there might also be conflict between individual interests and the intended role of the HD.  

The village enterprises in Bantaeng are reported to be quite successful, having contributed IDR 31 751 113 to district revenue in 2011. They provided employment to 400 people and facilities such as clean water, basic supplies, agricultural inputs, capital and a learning site (FPPD 2013). So are village enterprises then also appropriate to manage forests?  

First, there needs to be a separation between the village government as a business and the village government as overseer of forest management. Second, there is need for a clear collaborative arrangement among the enterprises and the district government, especially the forestry agency for technical input, the Community Empowerment Board and Village Government (Badan Pemberdayaan Masyarakat dan Pemerintah Desa/BPMPD) and the Community Economic and Business Development Board (Pengembangan Usaha Ekonomi Masyarakat/PUEM). And third, there is a need for a clear arrangement on how the village in general will benefit and how much control people will have over BUMDES activities.

The economic function of HD, loss of traditional values and elite capture

HD is first of all intended to improve the wellbeing of the people, usually interpreted as managing the forest as an enterprise to make profit, the success of which is calculated in cash value. However, a HD need not always be managed as a ‘business’, especially since the forests allocated as HD are often the least productive or have a protective function. In the case of Campaga, the forest is considered sacred and already protected through traditional norms and taboos without expecting direct monetary or economic benefits. The pressure for making monetary profit has caused commodification of the water and forest, and degradation of the cultural values.

HD as community empowerment

Government Regulation No. 6/2007 states that HD is mainly a tool for empowerment. The HD in Bantaeng are seen as an example of successful establishment and a showcase for empowerment. Visitors from all over Indonesia and ASEAN have come to learn about HD and, as a consequence, local leaders have gained respect and some political standing. Yet, as mentioned, there are problems, that is, errors in determining the area and weak functioning of management bodies, which could have been avoided by a more thorough empowerment process based on participation of local people.

The procedure for establishing HD is more a bureaucratic than an empowerment process. The focus is on administrative procedures, which are complicated and costly both in time and money. According to the regulations, the determination of the HD working area should be finalized within 90 working days after the
proposal from the district head, mayor or governor has been submitted (Partnership for Governance Reform 2011, Santosa and Silalahi 2011)). In reality, in most cases the land designation is not according to procedure, with a lack of accurate geographical data often leading to mistakes in location.

With an emphasis on administrative requirements, facilitation tends to neglect empowerment. Local people are often largely ignored and remain ignorant of the process. In most cases, the facilitators are more engaged than the local people or the forestry agents in charge of issuing permits. Indeed, the HD permit might even lead to disempowerment when management is assigned to the village enterprise and not to the people who have managed the forest area in the past, as is the case in Campaga.

How should a HD be managed?
Since a HD belongs to the village and is to be managed by the village through a management board or a village enterprise, all people in the village need to be aware of the existence and implications of the HD permit and the role of the village institution mandated with its management. A common vision of the HD and its management needs to be developed, including a clear agreement on roles and responsibilities.

While a HD is given to an organization made up of village people themselves, this does not mean that the government has no role to play. Management of HD as HKM needs to be aligned and integrated with general development plans. The government is ultimately responsible that the forest is managed for equitable benefits according to environmental criteria. The government is also responsible for providing facilitation, either directly or through a third party, as mandated by law. As in the case of HKM, the agricultural advisory or extension service could be developed as a home for government facilitators.

For the time being, facilitation is dependent on the willingness of NGOs. The question is, who will pay? According to law, facilitation is the responsibility of the local government (Ministerial Decree No. P. 49/2008, PP No. 6/2007). Funds should therefore be made available through the district budget. Alternatively, and admittedly a longer-term program, is the empowerment of the agricultural extension service. In other words, training and building the capacity of extension agents.

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