CONCEPT FOR COMMUNITY FOREST MANAGEMENT

PROPOSAL FOR REPLICATION IN INDONESIA

Based on the experience of Social Forestry Development Project
Sanggau, West-Kalimantan

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<tr>
<td>Adat rights</td>
<td>Traditional rights</td>
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<td>BKAD</td>
<td>Badan Kerja-sama antara Desa = Inter-village cooperation association</td>
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<td>Bupati</td>
<td>Head of District/Regency</td>
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<td>CFM</td>
<td>Community Forest Management = Pengelolaan Hutan oleh Masyarakat (PHOM)</td>
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<td>DepHutBun</td>
<td>Departmen Kehutanan den Perkebunan = Ministry of Forestry and Estate Crops = MoFEC</td>
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<td>Desa</td>
<td>Village</td>
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<td>Dinas Kehutanan</td>
<td>Forest Service</td>
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<td>GTZ</td>
<td>Deutsche Gesellschaft fuer Technische Zusammenarbeit</td>
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<td>Kabupaten</td>
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<td>NTFP</td>
<td>Non-Timber Forest Product</td>
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<tr>
<td>PerDa</td>
<td>Peraturan Daerah = District Regulation</td>
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<td>SFDP</td>
<td>Social Forestry Development Project</td>
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<td>SK</td>
<td>Surat Keputusan = Decree</td>
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<td>TGLDK</td>
<td>Tata Guna Lahan Desa Kesepakatan = Participatory village land-use agreement (planning)</td>
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1 Executive Summary

1. Based on a mandate from the then Department of Forestry to develop and test approaches to community-based forest management, the Social Forestry Development Project (SFDP) in Sanggau, West Kalimantan, has from 1992 to 2002 developed a model for Community Forest Management in a some 100,000 hectare test area in the northern part of the Sanggau district, West Kalimantan, Indonesia. Over this period, the principal assumptions of the project have been that forests in the test area can only be sustained and contribute to the creation of rural welfare, if (i) there is a broad consensus among local actors to sustain the land area classified for forest with a forest vegetation, (ii) local communities have a direct and long-term secured benefit from the management of the natural forests, (iii) forest management and utilization techniques allow for sustainability of the resource as such, and (iv) the respective planning, implementation and controlling systems put lower administrative levels in a central position.

2. The political changes in Indonesia over the last years, most prominently the far-reaching decentralization policies, have made the project approach highly relevant by shifting the focus also in the forestry sector from the national to regional and commune levels, and from forest exploitation for the benefit of a few to sustainable management for the benefit of local people. In this context the project presents it’s summarized final concepts, conclusions and recommendations for replication of the Sanggau experience in Indonesia, which feature a mix of aspects of potential relevance for standardization throughout the country by the central level, and of aspects which must be designed and decided on a local level. It is this blend which makes SFDP’s experience potentially important for further policy development in the forestry sector, harmonizing existing conflicts over forest land and forest resource management in many rural areas in Indonesia as a precondition for any sustainable forest resource management.

3. The entry point of the CFM system is the existence of natural forests that provide both the starting capital as well as a long-term continuous source of funds that are directly used for the village development. The CFM model is designed as a basically self-reliant and – except from the start- self-financing system. It is based on participatory village land use planning, customary land tenure, and simple and profitable silviculture and harvesting. The main principles of the model can be summarized as follows:
   • The rights and responsibilities of the local communities are acknowledged
   • There is long-term security of land-use
   • Local communities are involved to a maximum in planning, monitoring and supervision of land management
   • Value-added is generated in the region and strengthens intra-regional cash-flows
   • Main parts of the profits from natural resource management are directly reinvested in the region
   • Natural resource utilization is linked with rural development. This includes the development of natural resources, human resources, institutions, technical, business, marketing and information systems.

4. A fundamental single feature of the CFM approach lies in the dualistic institutional set-up with a clear distinction between community-based profit oriented organization entities that focus on natural resource utilization and community-based non-profit oriented management authority charged with the overall management of the area with its natural and human resources:
   • The forest management authority should have a mandate for the development of the forest resource itself and of the surrounding areas. Following the principle of subsidiarity this will generally be the lowest possible governmental administration level, i.e. on most cases the village government. Based on feasibility considerations (size and function of the resource, overlapping traditional right areas, access, etc.)
different villages can form an inter-village cooperation association (Badan Kerjasama antara Desa – BKAD) in order to jointly organize the management of the resource and the utilization of the revenues.

- The natural forest utilization organization should be an entity run by members of the village communities. Depending on future policy developments, the legal form can be, among others, a cooperative, an enterprise run by a group of people or an enterprise owned by the village government as long as status and membership do not contradict the notion that generally speaking there can be no personal or private rights over the natural forest resource on state forest lands. On privately owned forest land outside state forest land these considerations do not apply. For non-forest businesses other community enterprises different from the natural forest utilization organization will be set up. All these will combine economic principles to make optimum use of the resources, although limited by regulations enforcing participatory and sustainable natural resource management. These organizations will not be compromised to involve themselves in natural resource, human resource or regional development as long as it does not serve their own business interests. They will rather provide a part of their revenues for these matters to the management authority.

This dualistic approach facilitates maximum transparency and efficiency while avoiding conflict of interests.

5. Potential CFM areas are identified in cooperation between central, province and district level government and as well upon request by communities. Leading actors will be district governments and communities, i.e. the lower administrative levels. The legal basis for CFM is provided in District Regulations which address three different issues: (i) Organization, competences and responsibilities of the village governments, (ii) participatory village land-use planning in rural areas, and (iii) rights and responsibilities of the different parties involved in community forest management itself. Since district regulations are not just decrees of the executive branch of government, but have passed the district legislative body, they are assumed to present a safe and long-term legal basis. The three regulations can be interpreted as a cascade: The regulation on village government enables this administrative level in a general way to become more self-reliant. The regulation about land-use planning fills this framework by handing over competences with respect to the overall land management. Community Forest Management opens the way for one special field of land management, namely natural forest management which is entrusted to the community as an alternative to earlier income forms. The implementation of the District Regulations will be further clarified in respective implementation decrees by the District Regent.

6. The essence of the developed CFM model lies in the harmonization of national law and customary laws, an overriding issue that has affected the Indonesian forestry sector since the late 60ies until the end of the century as a result of the incompatibility of the Basic Forestry Law from 1967 with the earlier Basic Land Law from 1960. The harmonization is conducted in 4 separate steps:

a) In a first step, the basic decision has to be made to conduct the participatory land-use planning on village level. By doing so the area in which to conduct the planning is clearly defined as the administrative village area. In most cases, the borders of the village areas are not clearly defined: A preliminary border marking can be easily achieved by involving neighboring villages in the process of border marking, with the responsible district institutions and customary law chiefs witnessing and acknowledging the process.

b) In a second step, on settlement and village level a participatory land use planning will be conducted with the support and involvement of the responsible district institutions. The planning will cover the whole village area, i.e. problem areas like critical and degraded parts of the village cannot be left out. The micro-zoning of the basic land-uses will be fixed and agreed upon and shall in general be in line with rules for district
and province spatial planning. The agreed plan shall become an official village decree. With the land use plan in place, the village community has a legal product as the basis for (i) internal controlling, and (ii) being granted the right to manage the village land (including the forests) with an unlimited time horizon. The land management right will be granted automatically as soon as the land-use planning is endorsed by the district regent.

c) After receiving this right the village community has got in a third step the responsibility to clarify and document the traditional rights over the land and to set up and endorse a respective regulatory framework for the land management that is based on the traditional rights. While the village land use planning is conducted according to borders of state administration areas, traditional rights will define different borders that are not necessarily following the official administration borders. As soon as the land-uses are planned and agreed upon, it will be easy to accommodate for the traditional rights. If necessary for proper and efficient land-use - especially with respect to natural forest management - different villages can form an association in order to cooperate on this. Once customary land rights are identified, village administration will provide for written documentation and annex this documentation to the village land use decree.

d) The fourth step will be the definition of the independent natural forest utilization areas and the respective business entities. Based on their application and on the recommendation of the village head, the district head will then issue the permit for natural forest utilization towards the respective organizations, if the proposal fulfills the requirements stipulated in district regulations.

7. The silvicultural and harvesting system developed for CFM is based on growth and yield data from sample plots in East Kalimantan (Berau district) established in the 1980ies under the French-assisted STREK project. It also takes into account data collected in the project working area and general experience in Indonesian forestry. The system includes inventory, planning, harvesting, and supervision methods which (i) can be easily understood and handled by local communities, (ii) require only little capital investments and are highly profitable in terms of return on capital investments, and (iii) are designed to be eligible to forest certification under the FSC certification standard. Details of the system are documented in separate reports available with the project (see annex c).

8. The involvement of private or state owned corporate enterprises for the management of primary forests still remains a valid alternative option for providing services and products that Community Forest Management might not be able to provide. Current experience shows that under corporate management community involvement remains limited or unclear. The main components of the CFM concept that can be applied in these cases are participatory land use agreements and acknowledgement of traditional rights, the involvement of the villages in the planning, implementation and monitoring of the managing activities, implementation of participatory reforestation outside the natural forest area and channeling and monitoring of the use of funds for community and natural resource development. Technical harvesting systems developed for the CFM concept can also be applied in part of concession areas in order to increase community development and benefits as well as to complement production by the concessionaire himself.

9. In secondary and plantation forests as well as degraded areas, natural resource development and management activities can also be implemented through both private or state-owned enterprises and communities. In all cases there should be participatory village land use planning agreements which harmonize the interests of the different stakeholders in line with existing regulations and according to the natural conditions. Such agreements will have to anticipate land use conflicts and clarify rights and responsibilities including the sharing of benefits from the production. For the reforestation itself, schemes as developed for CFM can largely be applied and may need only slight adjustments to suite implementation by enterprises.
10. The presented CFM concept embraces a new paradigm in Indonesian Policy in general and Forest Policy in particular, namely **empowerment of local communities** by enabling them to take over the main responsibility in managing their own land resources. The **shift of the role** of communities towards land management also implies a shift of roles of the government agencies. Though government institutions like the Forest Service (Dinas Kehutanan) will still have the authority for supervision and control of forest land management and forest utilization in order to ensure proper implementation of rules and regulations for sustainable forest management, they will have to take over the main responsibility to facilitate, guide and support the communities to implement proper land and forest management. This means their tasks will become **service-oriented**.

11. Community Forest Management is a way of life that has repercussions on the thinking and implementation patterns in almost all land management and rural development related activities. With its particular features, the CFM concept developed in Sanggau can contribute to support and give life to the process of decentralization and democratization in rural areas in Indonesia taking into consideration the related policies on the different administration levels (figure 1).

![Figure 1: Possible Contribution of CFM to Indonesian Policy and Development](image-url)
2 Background

Over the last 10 years, the Social Forestry Development Project (SFDP) in Sanggau, West Kalimantan, has developed a model for Community Forest Management (CFM). Based on experience gained in the field during that period, this document intends to describe concepts, conclusions and recommendations to support the formulation of policies and strategies for replication of the CFM model. Whereas this paper outlines the principle features of the model, detailed information on the various technical and organizational aspects can be found in respective supporting documents available with the project (see annex c).

In 1992, the project had been charged by the then Department of Forestry to develop and test approaches to community-based forest management around the former Alas Ketoe concession in an area which totaled to some 102,000 hectare out of which about 46,000 hectare belonged to the former concession area. The total working area of 102,000 hectare covers the administrative areas of 8 villages with about 60 hamlets. The working area was set up along administrative borders around the remaining forest resource in order to provide the basis to integrate natural forest management into rural and community development on the lowest public administration level, i.e. on the level of village administrations.

The basis for the development process of the presented concepts has primarily consisted of overall considerations of social justice including the distribution of benefits from the forest among social strata and human generations. The project approach further started from the assumption that forests can only be sustained and contribute to the increase of rural welfare, if (i) there is a broad consensus among local actors to sustain the land area classified for forest with a forest vegetation, (ii) local communities have a direct and long-term secured benefit from the management of the natural forests (iii) forest management and utilization techniques allow for sustainability of the resource as such, and (iv) the respective planning, implementation and controlling systems put lower administrative levels in a central position.

The political changes over the last years, most prominently the far-reaching decentralization policies, are shifting the focus also in the forestry sector from the national to regional and commune levels, and from forest exploitation for the benefit of a few to sustainable management for the benefit of local people.

Against this background the project submits its concepts, conclusions and recommendations, many of which are highly relevant also for other areas in Indonesia. The concept includes a mix of features that can be standardized throughout the country, and features which must be designed and decided on a local level. This blend makes SFDP’s experience potentially important in the effort to harmonize existing conflicts over forest land and forest resource management in many rural areas in Indonesia, since this is a precondition for any sustainable forest resource management.

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1 This concession was never in production since it proved economically not viable for commercial forest exploitation. It was therefore cancelled after 5 years by the Ministry and handed over to the project.
3 Conceptual Framework of the Model

3.1 Rationale: Definitions, Main Features and Preconditions

In embarking on community-forest management development, the project applied the following working definition of CFM:

Community Forest Management is a system for forest management, whereby the community that holds traditional rights over the forest resource is the main actor and the main beneficiary of the management of the resource in an area with sufficient natural forest resources still remaining, so that their management will contribute significantly to integrated regional development.

The definition consists of several keywords which are important for the understanding of the approach and which are further illustrated in annex a. The specifications made in this definition do not imply that there cannot be other interpretations of Community Forest Management but clarify the approach and applicability of the model prepared by the project. Deviations from this definition will have implications on the model as well. This has to be considered when the model is replicated elsewhere.

The entry point of the CFM system is the existence of natural forests that provide both the starting capital as well as a long-term continuous source of funds that are directly used for the village development. The CFM model is designed as a basically self-reliant and -except from the start- self-financing system. It is based on participatory village land use planning, customary land tenure, and simple and profitable silviculture and harvesting. The main features of the model can be summarized as follows:

- The rights and responsibilities of the local communities are acknowledged
- There is long-term security of land-use
- Local communities are involved to a maximum in planning, monitoring and supervision of land management
- Value-added is generated in the region and strengthens intra-regional cash-flows
- Main parts of the profits from natural resource management are directly reinvested in the region
- Natural resource utilization is linked with rural development. This includes the development of natural resources, human resources, institutions, technical, business, marketing and information systems.

In Community Forest Management forests are managed jointly by the communities. This implies that the basic principle for the implementation of Community Forest Management is that there are no private rights over the natural forests. If there are partial private rights (for special products or in limited areas inside the forest) these should be accommodated in a way that does not conflict with the objectives of Community Forest Management (i.e. sharing of costs and benefits, joint rights and responsibilities).

Although Community Forest Management is considered a powerful instrument for achieving sustainable land management in general and sustainable forest management in particular while increasing rural welfare, the approach itself is susceptible to adverse framework conditions. This is due to the fact that generally poor communities living inside and around the remaining forests are the weakest link in the social chain. Because of their limited financial capacities, organizational capabilities, business experience and political influence these communities can hardly influence political and economic framework conditions. Hence, the introduction of Community Forest Management needs from the very beginning a strong and consistent support from governmental and non-governmental organizations.
The preconditions for implementation of Community Forest Management can be subsumed under two principles:

- Existence of consistent and efficient rules and regulations
- Effective enforcement of the rules and regulations

In particular the preconditions are as follows:

- National laws are enforced
- Traditional communities are sufficiently well organized and traditional laws are enforced
- There is no illegal logging
- There is trust between government institutions and the communities
- Laws and regulations for Community Forest Management policy are prepared by the government
- Land-use planning is agreed and land-use rights are clarified

The preconditions are further elaborated in annex b. The fact that some of these preconditions are not fulfilled, does not lead to the conclusion that the implementation of CFM can not be started at all. The above list shows where the main efforts should be put, in order to make CFM a feasible approach, which in turn offers practical solutions and alternatives to address most of the above mentioned issues.

3.2 The Concept: Approach, Components and Objectives of Community Forest Management

The Community Forest Management concept follows a multi-sector and multi-stakeholder approach, taking into account that forest resources cannot be maintained if land use of the surrounding areas is not clarified and improved and conflicts between different interest groups are not resolved. For this reason a broad range of activities has to be applied in the set-up and implementation of Community Forest Management. Figure 1 shows how the aspects and components of Community Forest Management are interrelated.

From the definition of Community Forest Management in chapter 3.1 a double goal of that approach can be derived. Community Forest Management aims at both sustainably increasing the welfare of the local population in forest areas, and the sustainable maintenance of forest resources.

The main principle for achieving these goals is that the regional potentials are used by the communities themselves as the main actors in all respects of land management, including planning, implementation, monitoring and control. The potentials are located both inside and outside natural forest areas and have to be managed in an integrated way. The utilization of the potential inside the natural forest directly by the people will lead to an increased commitment of the community towards the maintenance of the resource through realization of its economic value. Forest management embraces timber as well as non-timber forest products. Due to its high value per hectare timber represents a very profitable source of income for the communities. In order to harvest and market timber some minimum levels of techniques, skills, organization and capital are needed. On the other hand non-timber forest products (NTFP) in general do not represent a big source of income in terms of production per hectare. However, access to this resource is quite easy and the need for preparation is limited. NTFP can therefore be a welcome additional source of income for a large part of the population. NTFP also comprise other economic activities linked to the forest resource such as eco-tourism.

The potentials outside the natural forest can be divided into the primary production itself and processing of primary goods. With increased production of value added outside the forest
through improved primary production and strengthening processing and marketing, it is assumed that the pressure on the remaining forests will decrease².

Thus, improved income generation inside and outside the forest through management of natural resources by the communities, will contribute to the overall goal of increasing rural welfare while sustaining the natural resource.

However, a set of basic components has to be in place before this goal can be achieved. As shown in figure 2 the clarification and security of land use is considered a cross cutting issue, the resolution of which plays a fundamental role in the stimulation of sustainable resource management and harmonization of land-use conflicts. Clarification of land-use consists of two components, namely land-use planning and settlement of land-use rights. Without long-term land tenure security there is no incentive for maintaining the resource. The risk is that it will instead be depleted as quickly as possible. On the other hand long-term investments in natural resources, like reforestation, will not be made without clarification of later utilization rights.

Land use planning and subsequent settlement of land tenure are conducted and agreed upon by the community together with government institutions and represent the basis for all kinds of land use activities such as agriculture, agro-forestry, reforestation, industrial plantations and natural forest management. This process does not only result in legalizing participative land use plans and adat-based land tenure on state-owned forest land, but also provides local governments with an appropriate tool to intervene if land use is not in accordance with zoning or local rules, with the interventions being supported by local communities. Moreover, the process provides a sound basis for outside capital investments because it harmonizes interests and establishes local controlling mechanisms, thus creating the urgently needed

² This assumption has been questioned in other situations, but is considered valid as soon as the components specified in the following are developed. This refers especially to proper land-use planning.
secure environment for investments also for foreign investors. The land-use planning can be seen as an agreement amongst community members and as a contract between the government and the communities regarding the use of the resources. The rationale of land-use planning will be further elaborated in chapter 4.3.

Apart from clarifying land use, the implementation of the proposed model consists of six components.

**Natural resource development** must begin with and be implemented in line with land use planning which is agreed by the different stakeholders involved. The development itself is not limited to improvement of natural resources through reforestation of degraded areas and enrichment planting in secondary forests but also includes intensification of land use through introduction of new techniques in agriculture and agro-forestry.

**Human resource development** is understood as the basis for the sustainable improvement of livelihood. As remote areas, in which remaining forests are usually located, are generally characterized by undeveloped human resources, training and capacity building has to be considered a precondition for improved management of natural resources and application of participatory methods. This has also to include tools for a transparent monitoring of commonly implemented activities in order to reduce the risk that local elites gain control.

In **institutional development** community institutions to conduct and monitor participatory forest management and linked activities have to be set up. The basis should be the village government as the lowest government level in Indonesia. Other important actors such as related governmental institutions and NGOs charged with supporting and promoting community forestry need to be strengthened.

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3 In many rural areas in Indonesia, ongoing conflicts over land use and land tenure have resulted in lower investments and even investment withdrawal, with potentially highly negative impacts on regional economies and welfare.
Development of business and marketing refers to marketing of products from inside the forest as well as from outside. Apart from forest products, improved processing and marketing of agricultural and agro-forestry products can raise profit margins for the communities and thus the value added in the region. The set-up of business groups for processing and marketing products can reduce the dependence on natural production and at the same time strengthen the local economy through diversification of income sources. Income and employment effects from natural forest management alone are in many cases not sufficient to significantly ease the pressure on the forests. Therefore, business and marketing development should be a regular supporting activity. All such business groups should be independent and established by the communities themselves, with village government and other agencies providing support where and when needed.

Technical systems represent a wide range of “instruments” for social forestry like natural resource management techniques, improved techniques in agriculture and agro-forestry which all have to be adopted to the respective local conditions. In the process of establishing the technical systems, existing technologies and techniques may have to be streamlined and modified to fit into the social forestry system, and may have to be simplified to be understood and accepted by the communities. Suitably designed guidelines and technical instructions have to be prepared.

As pointed out before, community forestry is understood as a cross-sector approach, which involves a wide range of activities and actors. To harmonize perceptions and actions, an information system needs to be developed to cover three main aspects:

- Policy issues
- Rules and regulations
- Cooperation and networking

Within Policy the overall conditions for successful implementation have to be created. This includes for example willingness to discuss land tenure, readiness for law enforcement and preparation of respective extension and training programs as well as financial and administrative resources for the support of implementation of social forestry.

Rules and regulations will stipulate the rights, duties and sanctions in case of non-compliance of the different parties involved and respective information processes and channels. Rules and regulations can be fixed amongst others in the form of laws, district-level regulations, decrees, by-laws or mutual agreements. The rules and regulations must also define systems for both internal and external controlling and monitoring. For example in the case of land-use planning on one hand the communities themselves have to have tools to monitor the agreements between the community members. On the other hand the government has to have instruments to evaluate the land use activities of the community as a whole.
In the rules and regulations the relations between the different parties will be clarified as far as formal networking and cooperation is concerned. Informal networking and cooperation will not need such regulations but will be important in order to exchange information on issues like for example supporting institutions, external funding and marketing.

It is evident that setting up of community forest management – especially in poor and remote areas where the remaining natural forests generally are located – needs intense input from government and non-government institutions.

The development of the six components presented above together with the clarification of land use will be the basis for a self-reliant management of the regional resources by the community, as shown in figure 1.

### 3.3 Organization of Community Forest Management (CFM): Management and Utilization

According to the definition and the basic concept as presented in the previous chapters Community Forest Management follows an approach of integrated rural development where the utilization of the natural forest resource can be used as a starting capital also for generation of a permanent cash flow for rural development outside the forest area. To achieve this, adequate structures on community level have to be set up, and respective responsibilities and transaction processes to be defined and agreed upon. The organizational set-up should follow three principles:

- **Transparency**
- **Efficiency**
No conflicts of interest

To achieve maximum transparency and efficiency while avoiding conflict of interests there should be a clear distinction between profit oriented organizations that focus on natural resource utilization and non-profit oriented organizations that will take care of the overall management of the area with its natural and human resources (see figure 5).

Profit-oriented organizations in forest as well as non-forest businesses will combine economic principles to make optimum use of the resources, although limited by regulations enforcing participatory and sustainable natural resource management. These organizations will not be compromised to involve themselves in natural resource, human resource or regional development as long as it does not serve their own business interests. They will rather provide a part of their revenues for these matters to the management authority in charge of the overall management of the area (the village administration or an association of several village administrations in the case of larger areas). Apart from being responsible for coordinating resource development in the frame of village and/or regional development, the management authority is responsible for supervision and coordination of land and natural resource utilization including resolution of conflicts related to land and resource management. Other responsibilities can be the mobilization of outside investment capital, and representation of interests towards third outside parties such as forest or plantation enterprises.

By separating business from development and supervision, three important targets can be achieved: (i) to avoid a conflict of interests, (ii) to provide full transparency to community members as well as third parties, and (iii) to foster economic diversification in rural areas as such division of tasks will lead more easily to efficient work organization, with the involved parties concentrating on specified core tasks and responsibilities.

Last but not least the division of responsibilities reflects and facilitates the harmonization of state regulations and traditional rules from the institutional point of view. Whereas the area of influence of the non-profit oriented management organization follows borders of the village (=government) administration, the individual working areas of community-based forest utilization entities can follow traditional right areas, with the only limit to area size imposed by
economic considerations of profitability. This distinguished feature of the model can be applied throughout Indonesia.

With village administration(s) holding the overall management authority, specific forms of forest resource utilization and management entities can be determined in a decentralized, flexible way according to the local situation (e.g. referring to different customary law systems, or different minimum-size areas due to different ecotypes in the highly diverse Indonesian setting). Nevertheless, the following two basic principles have to be followed according to project experience:

- The **forest management authority** should have a mandate for the development of the forest resource itself and of the surrounding areas. Following the principle of subsidiarity this will generally be the lowest possible governmental administration level, i.e. in most cases the village government. Based on feasibility considerations (size and function of the resource, overlapping traditional right areas, access, etc.) different villages can form an inter-village cooperation association (Badan Kerjasama antara Desa – BKAD) in order to jointly organize the management of the resource and the utilization of the revenues.

- The **forest utilization organization** should be an entity run by members of the village communities. Depending on future policy developments, the legal form can be, among others, a cooperative, an enterprise run by a group of people or an enterprise owned by the village government as long as status and membership do not contradict the notion that generally speaking there can be no personal or private rights over the natural forest resource on state forest lands. On privately owned forest land outside state forest land this consideration does not apply.

Figure 9 gives an example of how the division of responsibilities between the forest utilization entity and forest management authority can be understood in terms of processes.
It becomes clear that the profit oriented business entity works independently, without directly being involved in resource and regional development. By this, it can focus on its core business while avoiding a conflict of interest that would result from generation of funds and their utilization for development purposes by the same organization. By paying the contribution to resource and regional development (after deducting an appropriate amount for capital building and reinvestments) it is made sure that the business entity is not excessively burdened. Thus, ongoing efficient resource utilization is not jeopardized.

Because business activities are to be closely monitored by the forest management authority, there is a mechanism in place to reduce risks that profits are manipulated by the utilization entity to minimize contributions to development. At the same time, the forest utilization entity has a genuine interest that the funds provided for development matters are used properly in order to avoid claims and complaints by community members. Thus, this dualistic institutional setup provides for decentralized, community-based controlling mechanisms, paving the way for maximum transparency of transaction processes regarding fund generation, contribution and utilization.

Finally, by directly paying fees to adat right holders and a general contribution to the regional or village development, interests of both genuine adat rights holders and the community in general can be accommodated. It will depend upon the communities to fix and agree on the respective ratios.

### 4 Process to set up Community Forest Management (CFM)

#### 4.1 Basic considerations

As already outlined, Community Forest Management is understood as a system where the communities become the main actors in planning, implementation and monitoring of forest management. This refers also to large parts of the process of setting up the system although the process certainly needs support from the government and optionally third parties like NGO’s.

According to the current policy development and legal framework in Indonesia, the process to prepare the regulatory and policy framework for Community Forest Management will be started on district level. Basic laws number 22/1999 and 41/1999 hand over the respective responsibilities to the district government.

Nevertheless, there is still need for continuous support from central and province government in view of:

- Identification of Community Forest Areas on state forest land
- Steering and Guidance of Supporting System
- Promotion and Extension:
  - Awareness-building
  - Training
- Government Regulations (Peraturan Pemerintah)
  - Participatory land-use planning
  - Control of illegal logging
  - Tax reduction and set-up of appropriate revenue distribution systems for CFM
- Financial support
- Set-up of appropriate monitoring systems
As the main responsibility for implementation of CFM will be on the district and village level, in the following the process for the set-up of CFM will be illustrated for these two levels, based on experiences in the Sanggau district.

4.2 Preparation on district level

The preparatory work that is needed on district level can be divided into four components which not necessarily have to be conducted one after another. The District government should be leading in the related activities and can be supported by NGO's and other parties.

1. Set-up of a supporting system on District level
   a. Preparation of regulatory framework and technical systems (PerDa, SK)
   b. Set-up of institutions for technical support of CFM-related activities (Planning, Production, Marketing,…)
   c. Provision of resources for operational costs of CFM administration and financial support for set-up of CFM in the communities

2. Inventory of potentials for introduction of CFM

3. Dissemination about possibilities to implement CFM

4. Training and extension about CFM system towards communities, village and district government staff

1. **Set up of a supporting system on district level**

   a. **Regulatory framework and technical system**

   In order to provide a safe legal basis, District Regulations (PerDa) should be issued for three different topics. First, organization, competences and responsibilities of the village government have to be defined. Secondly, a legal basis for participatory village land-use planning and the rights and responsibilities that arise from it has to be given. The third regulation will refer to community management itself. All the three should become a regulation that is passed by the district parliament so that they present a safe and long-term legal basis. The three regulations can be interpreted as a cascade:

   The implementation of the District Regulations will be further clarified in respective implementation decrees.

   The regulation on village government enables this administrative level in a general way to become more self-reliant. The regulation about land-use planning fills this framework by handing over competences with respect to the overall land management. Community Forest Management opens the way for one special field of land management, namely natural forest management.

   The technical systems should be prepared and documented by the involved govern-
ment institutions. Generally, the technical instructions will not need separate legalizing through decrees or district regulations, but are referred to in these legal documents.

b. Institutions for technical support

The implementation of Community Forest Management (CFM) as proposed in this document will necessitate a significant shift in the roles of the involved government institutions. Main part of their activities will be dedicated to service functions rather than to control and monitoring only. If CFM is implemented on a broader basis, communities are bound to increasingly demand advisory services like setting up management plans and support for marketing and planning. These activities do not necessarily have to be conducted by government institutions only but can also be assisted by third parties such as self-helping organizations, NGO’s, donor-assisted projects or private enterprises interested in the conflict resolution and investment security resulting from the CFM approach.

c. Resources

Community Forest Management is expected to generate income for communities as well as contribute to the revenues of the village administrations and district governments. When the system is established revenues from forest management can be used to provide the recourses for the operational costs and for a financial supporting system. Yet, in the beginning these resources have to be made available from other sources. Since the Community Forest Management system is capital-extensive, initial capital requirements are very low if compared with corporate forestry. However, taking into consideration the limited financial resources of most forest-dwelling communities, there is a need for initial financial support. This support could be provided out of national or provincial CFM development programs which would provide initial capital in form of block-grants, the disbursement of which would be linked to the different preparatory steps. Wherever possible and if accepted also by the forest utilization entities, the block-grants should be channeled through village accounts, thus acquainting village administrations with public funds administration early on in the process. This is expected to improve public administration on village level at large.

2. Inventory of potentials for introduction of CFM

A major part of the initiative to start with Community Forest Management is given to the communities themselves, and thus the process to set up Community Forest Management areas will mainly depend on them. Still, government needs to know about the potentials for Community Forest Management in order to set up an appropriate supporting system, to put these potentials in relation to the other regional potentials, and to obtain an idea of expected revenues from these activities. This process will need to be guided and facilitated by central and province level.

3. Dissemination about possibilities to implement CFM

Based on the results of the inventory of potential CFM areas, district governments will have to engage in well-directed dissemination of the basic features of CFM to the respective communities most of which will presumably be located in remote areas and will only have very limited outside information. The dissemination
campaign should include information about the system, underlying considerations, change of roles of government and communities, rights and responsibilities of the involved parties, and steps and requirements to be taken up by the respective villages if they want to opt for community forest management in their area.

4. Training and extension about CFM system towards communities, village and district government staff

For most actors in the Indonesian forestry sector, CFM is a completely new approach in natural forest management which requires major changes in the roles of the involved parties and applied procedures. Although CFM-systems themselves are and should be as simple as possible, the implications of the CFM approach for communities and government institutions may not be easily absorbed. Particularly the forest service will have to render services on subjects that are in the corporate concession system conducted by the concessionaires themselves, but where communities will need support from outside. In this, however, assistance would be available from more experienced parties such as NGO's.

4.3 Preparation on village level: From Land-use Planning to Community Forest Management

The core elements to start the process of implementation of Community Forest Management on field level are land-use planning and clarification of land-use rights.

The objective of land-use planning and clarification of land-use rights is to prepare a legal product that provides a safe and long-term legal basis for land management based on

- Recognition and further specification in detail of district spatial planning
- Traditional (adat) rights
- National and regional legislation
- Harmonization and acknowledgement of community and government interests.

The process of land-use planning and clarification of land-use rights serves three functions:

- To guard the village land use with respect to natural resource sustainability, village and regional development and acknowledgement of traditional values
- To guarantee the sustainability and security of village land use based on the regional potentials and the aspirations of the community
- To provide a guideline for village development for the community itself and third parties involved in land management (investors, government)

In order to synchronize and harmonize national legislation and traditional rights, land-use planning and clarification of adat rights is implemented in different steps which also helps to clearly define the implementation area in the process. The overall process from land-use planning to community forest management can be divided into four steps as shown in table 1.
Step | Related activities | Expected Output/Product
--- | --- | ---
1. Decision to conduct the land-use planning on village level | Optionally it can be decided if for reasons of economic feasibility and/or traditional adat systems different villages will work together | Borders of the planning area are defined based on administrative borders
2. Land-use planning | Zoning according to community needs and in line with government regulations | Village community possesses a legal product that enables them to manage their land
3. Set-up of a regulatory framework for land management that is based on local customary law | Clarification of traditional rights, traditional right systems, responsibilities and sanctions | Customary law community possesses a legal framework to utilize the village land resources including the natural forests
4. Definition of areas and set-up of organizations for forest utilization | Forest areas are assigned to traditional right groups and utilization permit is issued by the district head | Customary law community possesses a legal document for natural forest utilization and national and traditional rights are harmonized

Table 1: From land-use planning to community forest management; four steps to harmonize national law with traditional rights

In the first step, the basic decision has to be made to conduct the land-use planning on village level. By doing this the area to conduct the planning is clearly defined as the administrative village area. In most cases, the borders of the village areas are not clearly defined: A preliminary border marking can be easily achieved by involving neighboring villages in the process of border marking, with the responsible district institutions and customary law chiefs witnessing and acknowledging the process.

In a second step, on settlement and village level a participatory land use planning will be conducted with the support and involvement of the responsible government institutions. The planning will cover the whole village area, i.e. problem areas like critical and degraded parts of the village cannot be left out. The zoning of the basic land-uses will be fixed and agreed upon. This zoning shall in general be in line with district and province spatial planning and shall become an official village decree. With the land use plan in place, the village community has a legal product as the basis for (i) internal controlling, and (ii) for being granted the right to manage the village land (including the forests) with an unlimited time horizon. The land management right will be granted automatically as soon as the land-use planning is endorsed by the district regent.

After receiving this right the village community has got in a third step to clarify and document the traditional rights over the land and to set up and endorse a respective regulatory framework for the land management that is based on the traditional rights: while the village land use planning is conducted according to borders of state administration areas, traditional rights will define different borders that are not necessarily following the official administration borders. As soon as the land-uses are planned and agreed upon, it will be easy to accommodate for the traditional rights. If necessary for proper and efficient land-use - especially with respect to natural forest management - different villages can form an association in order to cooperate on this. Once customary land rights are identified, village administration will provide for written documentation and annex this documentation to the village land use decree.
The fourth step will be the definition of the independent natural forest utilization areas and the respective business entities. Based on their application and on the recommendation of the village head, the district head will then issue the permit for natural forest utilization towards the respective organizations if the proposal fulfills the requirements stipulated in district regulations.

The clear distinction in addressing land-use planning and clarification of land-use rights reflects and complements the dualistic institutional approach for land management and utilization and finally leads to an institutional setup in which national and traditional regulatory and organizational systems can be harmonized. The land-use planning is lead by the lowest governmental administrative level, the village, and as such already reflects implicitly the aspiration of the local communities. These communities, represented by the village government, will have the right and responsibility to set up and enforce traditional regulations regarding land management in general and forest management in particular and to set-up the respective institutions. The validity of those will be checked by the district head, and in line with requirements stipulated in district regulations, the permit for forest utilization will be issued.

5 Relevance of the CFM-Concept for Indonesian Forestry

The CFM-Model has been designed under special conditions and with assumptions that are related to the specific conditions in the area where the model has been developed and field tested. The special features are reflected in the working definition which consists of a set of keywords as presented in annex a. The division into keywords provides the opportunity to detect and formulate alterations from this definition in order to adjust it to different conditions. Starting from these alterations it will be possible to make adjustments to the concept as well.

As the model for Community Forest Management follows an integrated approach there is a broad variety of components that could be used also if the overall system is not applied as a whole.

The main features of the model that are derived from the definition and that lead to its broad applicability can be summarized as follows:

- The rights and responsibilities of the local communities are acknowledged
- There is long-term security of land-use
- Local communities are involved to a maximum in planning, monitoring and supervision of land management
- Natural resource utilization is linked with natural resource, human resource and rural development
- Value-added is generated in the region and strengthens intra-regional cash-flows
Main parts of the profits from natural resource management are directly reinvested in the region.

Figure 13 draws a picture of the overall situation of existing and potential forest areas in Indonesia.

These can be divided into primary forests, secondary forests/plantation forests and degraded areas. Primary forests consist of virgin forest and non-degraded and slightly degraded logged-over forests. Secondary and plantation forest represent the areas where the primary forest cover has been completely removed and replaced by either natural succession wood vegetation or timber plantations. The term degraded areas comprises heavily degraded areas like grasslands (alang-alang) and heavily degraded primary forests.

According to their function and their status of protection, these three types of existing and potential forests can also be assigned to categories like water catchment areas, national parks, buffer-zones and protection and recreation forests that require special management features in which certain components of the CFM system could be applied as well. With respect to wood production the CFM concept has been developed and field tested for the management of primary forests by community enterprises, where the institutional set-up together with technical systems and mutual agreements will lead to community development and natural resource development, particularly reforestation (yellow marked boxes).

The involvement of private or state owned corporate enterprises for the management of primary forests still remains a valid alternative option for providing services and products that Community Forest Management might not be able to provide. Current experience shows that under corporate management the community involvement remains limited and unclear. The experience derived from the CFM model can contribute solutions here as well in order...
to harmonize conflicts between the different stakeholders and to achieve community and natural resource development. The main components of the presented CFM concept that apply here are participatory land use agreements and acknowledgement of traditional rights, the involvement of the villages in the planning, implementation and monitoring of the managing activities, implementation of participatory reforestation outside the natural forest area and channeling and monitoring of the use of funds for community and natural resource development. Moreover, technical harvesting systems as developed for the CFM concept can be applied in part of the forest areas of corporate concessionaires in order to increase community development and benefits as well as to complement production by the concessionaire himself.

In secondary and plantation forests as well as degraded areas, natural resource development and management activities can also be implemented through both private or state-owned enterprises and communities. In all cases there should be participatory village land use planning agreements which harmonize the interests of the different stakeholders in line with existing regulations and according to the natural conditions. Such agreements will have to anticipate land use conflicts and clarify rights and responsibilities including the sharing of benefits from the production. For the reforestation itself, schemes as developed for CFM can largely be applied and may need only slight adjustments.

The considerations and legal arrangements prepared for the institutional set-up for CFM will also help in both reforestation by the communities, and by private or state-owned enterprises. This refers particularly to the role of village governments in the planning, facilitation and supervision of land management.

In the case of reforestation by communities there is already a direct link with primary forest management through allocation of part of the revenues to respective villages in areas where there are still remaining natural production forests. But also in other cases, where funding for reforestation has to come from outside, most of the respective technical systems and agreements developed for the CFM concept may prove useful.

Finally, experience not only in Indonesia clearly indicates that areas with special functions to be protected such as water catchments, protection forests and natural parks or their buffer-zones can only be maintained and managed sustainably if mutual agreements between communities and government agencies regarding the area delineation and and uses of these areas are achieved. The field-tested approach to land-use planning can contribute to achieve lasting agreements, whereas the special technical features of participatory reforestation and natural forest utilization will be able to contribute alternative solutions for a sound land management in ecologically sensitive areas.

6 Outlook: Community Forest Management (CFM) in the Process of Decentralization and Democratization

The CFM concept embraces a new paradigm in Indonesian Policy in general and Forest Policy in particular, namely empowerment of local communities by enabling them to take over the main responsibility in managing their own land resources. The shift of the role of communities towards land management also implies a shift of roles of the government agencies. Though government institutions like the Forest Service (Dinas Kehutanan) will still have the authority for supervision and controlling forest land management and forest utilization in order to ensure proper implementation of rules and regulations for sustainable forest management, they will have to take over the main responsibility to facilitate, guide and support the communities to implement proper land and forest management. This means their tasks will become service-oriented.

The CFM concept provides the tools for planning, implementation and monitoring of all land management related activities on village level and integrates these in the overall village
development. It also outlines the division of responsibilities between the different stakeholders and gives a perspective for a possible future institutional set-up in decentralized land and forest management. By this, the approaches and technical solutions developed in Sanggau under the scheme of CFM actively support the process of decentralization and democratization in the rural areas.

Based on this background, the following investments that have to be made in the set-up of community forest management can generally speaking also be understood as investments in decentralization and democratization itself. The costs will be by and large related to the activities to set up CFM as presented in chapter 4.

- Preparation of regulatory framework
- Institution building (Communities and government)
- Human resource development (training and extension)
- Preparation of planning data (land-use planning, mapping)
- Infrastructure (Roads)
- Equipment (Offices, harvesting tools)
- Supporting activities (business, marketing, natural resource development).

Additionally there will occur running costs for monitoring and controlling which in principle should be borne out of the revenues from CFM, whereas the above mentioned activities have to be understood as investment costs that will occur before income from CFM is generated. There will be a need to agree on how the investment and running costs for CFM will be shared amongst the involved parties and administrative levels and which financing schemes and mechanisms can be applied. These parties are in principle:

- Local communities
- Village governments
- Regency governments
- Province/central government
- Donors/Investors

All these stakeholders will need to partly re-define their roles under the new challenges of democratization and decentralization in general and for implementation of CFM in particular. This also refers to cost-sharing.

On the other hand, the implementation of CFM under the scheme of decentralization also implies the need for new approaches in sharing and distribution of the benefits.

These can be divided into the following categories:

- Traditional right (forest owner) fees
- Net profit
- Value added
- Levies/Fees
- Taxes
- Non-monetary benefits

While central and province governments still will have the right to generate income from natural resource management, more direct ways to channel and reinvest government revenues will have to be developed in order to provide the district and village government with a core budget that will ensure a certain financial self-sufficiency or independence. In order to achieve this, new agreements and patterns for the payment of reforestation tax, natural resource utilization fee and other levies have to be set-up, which will have to follow the principle of subsidiarity and which will facilitate a direct and efficient reinvestment of major parts of the revenues from natural forest management into local and regional economies. Payment channeling patterns should well take into account the differences between forest management by concessionaires and CFM. They have already been developed to a large
extent within the concept of CFM. Still, they need further discussion between the involved parties.

Community Forest Management is a way of life that has repercussions on the way of thinking and implementation patterns in almost all land management and rural development related activities. With its particular features, the CFM concept can contribute to support and give life to the process of decentralization and democratization in rural areas in Indonesia.
ANNEX A

Working Definition of CFM and Keywords

The project is using the following working definition of CFM:

Community Forest Management (Pengelolaan Hutan Oleh Masyarakat/ CFM) is a system for forest management, whereby the community that holds traditional rights over the forest resource is the main actor and the main beneficiary of the management of the resource in an area with sufficient natural forest resources still remaining, so that their management will contribute significantly to integrated regional development.

The specifications made in this definition do not imply that there cannot be any other interpretation of Community Forest Management but clarify the approach and applicability of the model prepared by the project. Deviations from this definition will have implications on the model as well. This has to be considered when the model is replicated elsewhere.

The introduction of CFM represents a major shift of roles, rights and responsibilities of all parties involved. The required re-orientation will put new demands on the parties and will necessarily take time.

The definition contains various keywords that need further elaboration to achieve a common basis of understanding for the presentation of the model. The keywords are specified in the following:

**Forest management**

CFM contains elements of both resource management and forest products utilization with the former basically being non-profit oriented and the latter definitely profit oriented. This implies that forest products utilization is handled by separate units, independent of government institutions. Forest management includes planning, fund mobilization, implementation, and monitoring in a participatory manner with clarity and transparency, based on regulations issued or endorsed by the Government designed to make forest resource management and utilization sustainable.

**The community that holds traditional rights**

CFM is implemented by the community that still holds control over the forest according to traditional (adat) rules. Traditional (adat) rights provide a basis for the proposed system in three respects:

- Definition of the community
- Definition of the area
- Definition of a basic set of rules (rights and responsibilities) including sanctions for natural resource management

In areas where the adat system is weak or where there is no adat right system these three functions can be assumed by other regulatory or legal systems if it does not contravene the above mentioned principle of social justice and does not lead to conflicts. Yet, under the current conditions in Indonesia adat rights represent in many places the most—if not only-feasible entry point for community forest management. Acknowledgement of the community by the government and giving the community the right to manage the resource are important features of the CFM concept. The traditional rights shall provide the basis for the protection of the resource and the sharing of costs and benefits and shall complement the government policies and legislation where the adat norms and sanctions still are applied. Keeping in mind the three basic functions of adat rights it is obvious that the adat rights system itself has to be
flexible as well in order to accommodate existing national regulations and the requirements of modern economies.

*The community is the main actor*

The community that holds control over the forest according to adat rules is taking the main initiative in starting the process of implementation of Community Forest Management. All activities from planning over implementation and monitoring and control are conducted by the community as the main agent. The role of government and non-government organizations is to support the communities in the set-up of Community Forest Management, and give advice and supervision on the implementation. Private business, especially such based on forest products or forest land, can provide technical and financial support.

*The community receives the major part of the benefits*

Revenues from CFM are generated in the form of salaries, fees, taxes and net profit. In the CFM concept a major part of these revenues should stay directly in the area. With respect to salaries this means that as much as possible local people should work in the forest management. Fees for forest utilization should be paid to the adat communities and the net profit should go to enterprises that are owned by the local people. Taxes paid to the government should be reinvested as much as possible locally for development of the area.

*Area with sufficient natural forest resources still remaining, so that their management will contribute significantly to integrated regional development.*

The CFM concept integrates a sector approach with a regional approach by looking at the forest resource from the point of view of regional development, where activities outside the forest should help protect the remaining forest and forests’ revenues should contribute to development outside the forests. CFM is implemented in areas where there still remain natural forests of sufficient size. This is based on two features of natural forests. First, they still represent a high potential in terms of timber value. This is a necessary condition and an entry point of the developed model, as in the CFM model the natural forest provides both the starting capital for area development as well as a long-term continuous source of funds. The CFM model is designed as a basically self-reliant and –except from the start- self-financing system. Thus, the size of the forest has to be big enough compared with the requirements of the area development in order to apply the model efficiently. Second, natural forests are generally state or commonly owned as opposed to secondary forests, plantations and deforested areas. This calls for a special set of regulations and a special institutional set-up, that is provided under the CFM scheme.
ANNEX B

Preconditions for the Implementation of Community Forest Management

A basic feature of Community Forest Management is that the forests are managed jointly by the communities. This implies that the basic principle for the implementation of Community Forest Management is that there are no private rights over the natural forests. If there are partial private rights (for special products or in limited areas inside the forest) these should be accommodated in a way that does not conflict with the objectives of Community Forest Management (i.e. sharing of costs and benefits, joint rights and responsibilities).

Although Community Forest Management is considered a powerful instrument for achieving sustainable land management in general and sustainable forest management in particular while increasing rural welfare the approach itself is susceptible to adverse framework conditions. This is due to the fact that generally poor communities living inside and around the remaining forests are the weakest link in the social chain. Because of their limited financial capacities, organizational capabilities, business experience and political influence these communities can hardly influence political and economic framework conditions. Hence, Community Forest Management needs from the very beginning a strong and consistent support from governmental and non-governmental organizations.

The preconditions for implementation of Community Forest Management can be subsumed under two principles:

- Existence of consistent and efficient rules and regulations
- Effective enforcement of the rules and regulations

In particular the preconditions are as follows:

- National laws are enforced
- Local communities are sufficiently well organized either based on and traditional laws or other internal agreements, which are enforced
- There is no illegal logging
- There is trust between government institutions and the communities
- Laws and regulations for Community Forest Management policy are prepared by the government
- Land-use planning is agreed and land-use rights are clarified

*National laws are enforced*

It cannot be expected from the poorest part of the population to follow rules and regulations that in principle imply forgoing present benefits for the sake of future benefits - especially regarding natural resource management – if this is not a common rule that is followed by the society as a whole. If the government through its respective institutions cannot provide the communities with a basic security regarding the maintenance of the forest resources, the communities will as well tend to deplete the natural resources rather than protecting them.
Local communities are sufficiently well organized either based on traditional laws or other internal agreements, which are enforced

In the context of Community Forest Management traditional laws are used to complement the national laws in order to define the communities, the borders of the resources and a basic set of rules for the management of the resource. To be able to serve these functions the traditional laws still have to be accepted by a large majority. Moreover, the communities have to be strong enough to sanction those who do not follow the rules. In the absence of traditional laws the community needs a corresponding set of internal agreements.

There is no illegal logging

In the first instance the existence of illegal logging is a sign that one or both of the above preconditions are not fulfilled and thus represents an indicator that the situation is not conducive for Community Forest Management. Additionally, illegal logging represents a special threat to community forest management with respect to marketing. The generally small and - at least in the beginning - inexperienced Community Forest Management enterprises will usually have to serve the same market segments as illegal loggers. Due to higher costs Community Forest Management will not be able to compete with illegal timber production. Due to limited financial resources and experience the community enterprises will also find it difficult to circumvent the local or regional markets. The only alternative that local communities will have is to follow the illegal activities.

There is trust between government institutions and the communities

Government institutions and especially the forest service has to have a basic trust that the communities are able to manage the forests themselves. Otherwise they will not be ready to hand over the respective responsibilities properly and to conduct adequate community development. On the other hand, if the communities do not trust the government institutions it will be difficult for them to receive advise, to pay attention to the imposed restrictions, accept the respective sanctions, and agree to tax payments.

Trust plays an important role in Community Forest Management as there will be decentralized forest management activities that can only be monitored and controlled extensively.

Laws and regulations for Community Forest Management policy are prepared by the government

Community Forest Management needs a special set of rules and regulations that are different from those of traditional logging. Special features of these regulations are the harmonization of traditional rights and state legislation and the need for simplicity and transparency of all planning, monitoring and controlling activities. Moreover, the regulatory framework has to consider that Community Forest Management in general is carried out in many small units at the same time, in a decentralized way. All these rules should give a safe and long-term legal basis which the communities can rely on.

Land-use planning is agreed and land-use rights are clarified

Participatory village land-use planning and acknowledgement of time-wise unlimited or long-term land-use rights is considered the basis for Community Forest Management in particular and sustainable land and natural resource management in general. The rationale for unlimited time horizon is that it discourages overexploitation, while the agreements on land-use rights between communities, and between communities and the government together with the zoning provide a tool to solve and prevent land-use conflicts. Both types of agreement require monitoring according to clearly regulated procedures, with related sanctions.
## ANNEX C

**List of most relevant documents for replication of CFM prepared by SFDP**

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<tr>
<th>Title</th>
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<tr>
<td>Analysis and Mapping of Participatory Reforestation in SFDP Working Area</td>
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<td>Analysis of Training Needs in the field of Community Forest Management</td>
<td>2001/06</td>
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<td>Basic Concept for the development of Reforestation and Agro-Forestry for Community Forest Management</td>
<td>Draft</td>
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<td>Brief Economic Analysis on Community Based Forest Management with Portable Sawmills and Winches</td>
<td>2001/06</td>
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<td>Compilation of Analysis of Integration of the Community Forest Management Model into the Government Structures of Sanggau District</td>
<td>2001/03</td>
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<td>Implementation Guidelines for Participatory Village Land-use Planning</td>
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<td>Implementation Guidelines for Silvicultural System for Community Forest Management</td>
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<td>Increasing Rural Welfare and Sustaining Natural Resources Through Community Forest Management</td>
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<td>Mapping of Institutional Responsibilities and Functions for Community Forest Management</td>
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<td>Monitoring and Evaluation System for Participatory Reforestation</td>
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<td>Perspectives and Marketing of Non-Timber Forest Products in the SFDP working area</td>
<td>2001/12</td>
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<td>Prevention of Illegal Logging</td>
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<td>Proposal For the Utilization of Products from Participatory Reforestation in SFDP Working Area SFDP</td>
<td>Draft</td>
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<td>Report on Socialization of CFM in the course of handing-over of SFDP activities to the communities and peoples organizations in SFDP Working Area</td>
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<td>Review of Institutional input into Community Forestry Management and Administration</td>
<td>2001/07</td>
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<td>Review of Village Land-use planning in the working area of SFDP</td>
<td>2002/05</td>
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<td>Strengthening of Dayak Customary Rights in Natural Forests in SFDP Working Area in Sanggau District</td>
<td>2002/06</td>
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<td>Technical Guidelines for Participatory Reforestation, as a reference for Reforestation Funded Through APBN Fund in the Participatory Forest Management Area of Social Forestry Development Project</td>
<td>2001/05</td>
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<td>Technical Guidelines for Timber Harvesting and Processing for Community Forest Management</td>
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Decrees and Regulations that have been prepared with support from SFDP

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<tr>
<td>Temporary Guideline for a Silvicultural System for Community Forest Management in Natural Production Forest</td>
<td>207/Kpts/Kanwil-3/99 (Being revised and going to be replaced by SK Bupati)</td>
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<td>Temporary Technical Guideline for Wood Administration System for Community Forest Management</td>
<td>208/Kpts/KWL-3/99 (Being revised)</td>
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<td>Temporary License of Community Forest Management to Cooperative Rimba Berseri</td>
<td>95/Kpts/KWL-4/99</td>
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<td>District Regulation on Village Land-use Planning</td>
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<td>Decree on Permission and Planning in Community Forest Management</td>
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<td>Decree on Participatory Reforestation in Sanggau District</td>
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<td>Simplified Wood Administration System</td>
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<td>Decree on Implementation of Participatory Village Land-use Planning</td>
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