The Workshop on
Forest Governance and Decentralisation in Asia and the Pacific

Hyatt Regency Hotel
Yogyakarta, Indonesia
4 - 6 September 2006
The Workshop on
Forest Governance and Decentralisation in
Asia and the Pacific

Hyatt Regency Hotel
Yogyakarta, Indonesia
4 - 6 September 2006

Program Guide
Workshop Agenda 3
Keynote Paper Presentations 6
Parallel Sessions 9
Field Trips 22
The Dynamics of Working Group Session 26
Poster Session 30
Self Organizing Papers 32
Side Events 33
Book Exhibitions 34
Map of the Workshop Venue and Exhibitions 35
# Workshop Agenda

## Sunday, 3 September

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.00-17.00</td>
<td>Registration, Hyatt Regency Hotel</td>
</tr>
</tbody>
</table>
| 19.00-22.00 | • Welcome Dinner in Keraton, Yogyakarta  
(Dress Code: National dress/Batik dress/Formal dress)  
• Reporting, Secretary General, the Ministry of Forestry, Indonesia  
• Welcoming Speech, H.E. Sri Sultan Hamengkubono X |

## Monday, 4 September

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>08.00-09.00</td>
<td>Registration, Hyatt Regency Hotel</td>
</tr>
</tbody>
</table>
| 09.00-10.00 | • Opening  
• Keynote address  
  H.M.S. Kaban, Minister of Forestry, Indonesia  
• Overview of workshop programme  
  Tonny Soehartono, Indonesia |
| 10.00-10.20 | Tea/Coffee Break 1                                                   |
| 10.20-12.00 | • Plenary  
  Chair: Yetty Rusli, Indonesia  
  Co-Chair: Frances Seymour, CIFOR  
  • Keynote address, Christian Küchli, *et al.*  
    (Intercooperation)  
  • Keynote address, Lesley Potter (Australia)  
  Rapporteurs: I.B. Putera Pratama, Indonesia,  
  Ganga Ram Dahal, CIFOR |
| 12.00-12.30 | Poster Presentation                                                  |
| 12.30-14.00 | Lunch                                                                 |
14.00-16.00  **Parallel Sessions:**

*Theme 1: Roles, Rights and Responsibilities*
Chair: Salman Afarisi, Indonesia
Co-Chair: Yam Malla, RECOFTC

1. Gender and Forestry, Seema Arora Jonsson (India)
2. Community Perspectives, Yati Bun (PNG)
3. Land-use and Rehabilitation, Yayoi Fujita (Lao PDR)
Rapporteurs: E. Irawan, Y. Asban, Indonesia

*Theme 2: Institutions/Organisations, Capacity Building, Infrastructure and Legal Aspects*
Chair: Wandojo Siswanto, Indonesia
Co-Chair: Jeanette Gurung, WOCAN

1. Land Tenure, Liu Dachang (China)
2. Forest Fire, Byoung Il Yoo (Korea)
3. Forest User Group Networks, Apasara (Nepal)
Rapporteurs: T. Niflnluri, R. Pribadi, Indonesia

*Theme 3: Finance, Investment and Incentives in Decentralisation*
Chair: Bambang Moerdiono, Indonesia
Co-Chair: Patrick Durst, FAO

1. Prof. Mardiasmo (Indonesia)
2. Triggers and Constraints in Investments, E.S. Guiang et al. (Philippines)
3. Financial and Social Implications, Colin O’Loughlin (NZ)
4. Financial Implications for the Household Economy, Nguyen Quang Tan (Vietnam)
Rapporteurs: A. Justianto, Indonesia
Ahmad/Heru, CIFOR

16.00-16.30  Tea/Coffee Break 2
16.30-17.00  Wrap up of the day - Doris Capistrano, CIFOR
Information about field trips
Tonny Suhartono, Indonesia
Ganga Ram Dahal, CIFOR

Tuesday, 5 September

08.00-17.00  Field trips*
Site 1: Social Forestry (HKm) in Playen, Gunung Kidul
Site 2: Rehabilitation of forest and land in Paliyan, Gunung Kidul
Site 3: Private forests in Selopuro, Wonogiri
Site 4: Perhutani, a state owned forest company (CBFM), Kedu Selatan-Purworejo
*Lunch will be provided

Wednesday, 6 September

08.00-09.00  Field trip: Overview (high and low points)
Chair: Hiras Sidabutar, ITTO
Co-Chair: Marcial Amaro, Philippines
Rapporteurs: Moira Moeliono, CIFOR

09.00-12.30  Working Group Sessions - Carol Colfer, CIFOR
Self Organized Group Sessions
(Working tea/coffee during the session)

12.30-13.30  Lunch

13.30-14.00  Film Show
Side Events (Book Launching)

14.00-15.30  Working Group reports and discussion in Plenary
Chair: Salman Al Farisi, Indonesia
Co-Chair: Doris Capistrano, CIFOR
Rapporteurs: I.B. Putera Pratama, Indonesia,
Ganga Ram Dahal/Yuneti Tarigan, CIFOR

15.30-15.45  Tea/coffee break

15.45-16.30  Wrap up of the day - Doris Capistrano, CIFOR
Chair: Salman Al Farisi, Indonesia

16.30-17.00  Formal closing of the Workshop
Keynote Paper Presentations
Monday, 4 September 2006

Authors Christian Küchli, Jean-Marie Samyn, and Thomas Stadtmueller, Intercooperation/Switzerland
Title From decentralisation to governance

Abstract
This paper introduces Switzerland’s commitment – as one of the key donors supporting this effort – to effective forest sector governance as a key to sustainable forest management. They describe what motivates distant Switzerland to support themes like decentralisation and forest governance in the Asian and Pacific realms. They note what they consider a shift from decentralisation per se to a broader forest governance, highlighting some aspects of the evolution of focus since the Interlaken and Davao workshops. They then identify some important thematic areas where decentralisation and forest governance are pivotal. Their conclusion describes the changes in the roles of the forest services with decentralisation of forest governance, including both risks and opportunities.

Author Lesley Potter, Australian National University
Title Governance and problem-solving in Asia’s forests

Abstract
Forests have traditionally been centrally controlled, though often leased to private interests for timber production. As forest cover has declined with population growth, agricultural expansion, improved access and market demand, there have been moves to devolve forest management to local communities and sometimes also to decentralise government forestry agencies. Before one can consider the theme of this meeting, which examines the governance of Asian and Pacific forests in the light of their major current problems, one needs to ‘unpack’ these processes of decentralisation and devolution.
What kind of governments are we dealing with: are they strong, weak, democratic, authoritarian? Why decentralise or devolve? What do these terms mean? What is the state of the forests? Have they already largely gone, with locals simply supplying labour for reforestation? Where the forests still provide export income, is there more resistance to devolution? Has a change of government allowed more democratic voices to be heard, including concerns for the welfare of ‘forest dependent people’ and the need for tenure security? Is there pressure from international environmental NGOs in the name of global biodiversity protection, with locals perceived as the best forest custodians? Is there anarchy in the forests, with the breakdown of central authority and fire, ‘illegal logging’ and cross-border smuggling a national embarrassment? As government entities have no wish to lose power, may some administrative changes be merely cosmetic, temporary or actually disadvantageous to forest dwellers or upland people? And how might one describe the ‘mythic communities’ who are to become or continue as the forest custodians? Selected case studies from a large literature will provide brief answers to these queries.

The second part of the paper will address the major questions of governance involved in these problem-solving efforts under four headings:

a. Micro-scale questions of community/forest interaction: e.g. insider and outsider forest violations: at least partially controllable by communities with secure tenure, using techniques of shaming, traditional sanctions (critical for fire management and useful to combat illegal logging and encroachment); NGO assistance sometimes needed, especially in forming local institutions and negotiating upscale.

b. Micro-scale questions of equity within communities (relating to gender, caste, class or ethnicity), problems of elite dominance. May need outside assistance (government or donor) to provide improvements, e.g. in livelihood security, literacy. Culturally based inequities often difficult to change.

c. Meso-scale questions beyond the capacity of individual communities but within the purview of decentralised government agencies (questions of regional land-use planning, transport)
with input from upscaled community institutions. Problems of differing priorities, especially economy vs conservation between local and meso-scale.

d. Macro-scale questions based on national planning, legal, constitutional, security aspects: best to remain centralised at national level with some possibilities for relevant local input.

e. Global-scale questions with local ramifications, governed through international markets and controlled by international NGOs: eco-labelling of ‘sustainable’ timber, Fair Trade, ‘sustainable’ oil palm. Can also reduce illegal logging, fire and encroachment through market sanctions. A growing area of ‘governance without government’ but may conflict with local needs where they involve more powerful corporations or plantations: possibilities for conflict resolution.
Parallel Sessions
Monday, 4 September 2006

Theme 1: Roles, Rights and Responsibilities

<table>
<thead>
<tr>
<th>Author</th>
<th>Seema Arora-Jonsson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Approaching decentralisation of the forests from another angle: Organizing for a living countryside</td>
</tr>
</tbody>
</table>

Abstract
Starting from the decade of the 1990s there has been a shift in the rhetoric and policies towards people’s participation and gender equality in environmental issues and rural development. Against this background this paper looks at the gendered implications of the changing nature of natural resource management by directing attention to women’s agency. In case studies from villages in Nayagarh district in Orissa, India, the paper studies women’s organizing for local forest management and rural development. It analyses the implications of their efforts for processes of decentralization of natural resource management. The women in the villages did not organize themselves solely around resource issues, but as they showed, it was impossible to separate issues of forest management from other development efforts in their villages. Furthermore it also analyses the framing of policies that seek to bring about gender equitable and sustainable resource management. The paper focuses on two important issues. Firstly, it shows that including women in institutions for local management, even in a critical mass, may not be enough to ensure sustainable and gender equitable natural resource management. It is equally important to pay attention to how institutions are structured and more importantly there needs to be support of critical action by the women. For a transfer of responsibility and power to be effective, a decentralization of political authority over resource management needs to reconcile itself to many different forms of organizing such as women acting within existing structures or from within their own groups. Secondly,
outside interventions (whether government bureaucracies, NGOs or donor agencies) need to be as much a part of the framework and the focus of analysis in attempts at decentralization. They are often ignored in an analysis of local efforts and decentralization where the focus is often on the community-state relations. A careful look at outside interventions shows that they play a crucial role in the form that local management and decentralization takes and for the space for gender equitable resource management.

Authors: Yati Bun and Amele Imalal
Title: Community based forestry experience in Madang, Papua New Guinea – Governance and decentralisation

Abstract
97% of land including forests in PNG is customarily owned. No major forest resources development takes place unless consent is given by customary owners.

Government acquires the rights of harvests from customary owners and after a public tender, the successful bidder, usually a foreign logging company, develops the forests. The timber permit lasts for periods anywhere between 5-20 years. Under the forestry Act 1991, there are 34 steps involved before a timber permit is issued. On paper everything should go well if all the steps are being followed.

So why are there so many problems in the logging industry in PNG, more specifically pertaining to landowners?

The reason are many and varied. One of the reasons relates to the process of getting the Timber Permit. The matter of getting landowner consent is another fundamental issue to resolve.

Landowners have lost faith in the government system and moreover with the way things are being done by foreign owned logging companies and their local front men.

A group of forest resource owners in Madang is already embarking upon developing their forest resources themselves. With the assistance of FPCD, a local not for profit NGO specializing in community forestry, the Madang Forest Resource Owners
Association, with a growing membership, is now doing forestry work themselves.

Communities, including women, are seeing benefits coming into the communities. When the people do it themselves it is not easy but they can see the fruits...

It is a long term venture and they need to be committed... The attitude of quick money making schemes, etc., has to go...

Landowners doing forestry themselves over their own land enables, amongst others, the following:
• sustainability and self reliance
• no illegal activities
• long term benefits
• traditional uses versus modern uses
• improved life styles in community

The work in Madang, albeit small, is already making a huge impact in the lives of the locals and if replicated, would benefit also the local people, the forests and the country.

Authors: Yayoi Fujita and Kaisone Phengsopha
Title: Decentralized forest management in Laos: Gaps in practice

Abstract
Forest management was rapidly institutionalized in Laos following the First National Forestry Conference in 1989. Government policies promoted efficient use of forest resources, while at the same time encouraging forest conservation and sustainable resource management by local communities. In particular, the Land and Forest Allocation Policy which was initiated in the early 1990s recognized local communities’ rights to manage forest areas. In the meantime, international donors have also been supporting various co-management and community-based forest management schemes throughout the country during the 1990s trying to promote sustainable resource management practices that helped to alleviate rural poverty. However, after a decade of practice, we find that the
realities in rural communities are far from what has been envisioned by state and international donors alike. Community resource management in Laos has become increasingly complex, due to increased integration of rural communities in the market economy, and also as different people perceive and act upon their rights to resources differently. The current study takes a political ecology approach to understand the development of decentralized forest management in Laos after the First National Forestry Conference, and examines the gaps between different projects that promote forest management involving local people. In particular, we will review different types of decentralisation including co-management of state production forest, village based forest management, and private investment in plantation forestry to understand the impact of decentralized forest management on social equity and local people’s access to natural resources.

**Theme 2: Institutions/Organisations, Capacity Building, Infrastructure and Legal Aspects**

<table>
<thead>
<tr>
<th>Author</th>
<th>Liu Dachang</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Compatibility of decentralisation policies with other forest laws and policies: A case study of China</td>
</tr>
</tbody>
</table>

**Abstract**

Decentralised forest resources management in China largely took the form of privatization and quasi privatization in the early 1980s. Privatization is generally considered as more efficient in relation to the supply of commercial forest goods and services and conducive to private investment in the sector. But these will be the case only if farmers not only own trees and are entitled to use forest land, but also have rights to dispose of their forest property. In the early 1980s, the Chinese government allocated (use rights of) non-forested lands to farmer households for them to establish plantation forests that would be their property; and transferred to farmer households the responsibilities for management of part
of existing collective forests to improve forest management. But government, through its forestry department, has maintained tight control over forest resources by cutting quotas, cutting permits, and transport permits and regulations on market access of wood and wood products. Farmers showed little enthusiasm about developing plantation forests for wood and environmental services. In addition, government began to enforce the logging ban policy in the late 1990s, banning all commercial wood harvesting. The policy is in the nation’s interest, but contradictory with the intention of the decentralisation policy – household based forest management. Farmers’ response to such contradictory policies is quite clear: they chose to develop economic plantations (or NWFPs) as these forest products are subject to little regulations on harvesting and marketing. When the government launched the nationwide Program of Conversion of Steep Farmland to Forest in the late 1990s, farmers always gave priority to development of NWFPs, though the forest department has been struggling for a balance in development between NWFPs and plantation forests for wood and environmental services.

The function of forests also often includes the supply of ecological and other services. The legal basis of property rights for private and quasi private forest management needs to be well defined and consistent with laws and policies for protected area management. Many mountainous areas in China are hot spots of biodiversity. But these areas are also home to ethnic minority groups who rely largely on forests for their livelihoods. After implementing decentralised forest resources management, China launched designation of nature reserves in those biodiversity hot spots on a large scale. As a consequence, a large number of village households are enclosed within nature reserves. By the Environment Protection Law, plants, animals and landscapes in nature reserves must be strictly protected, which means villagers are allowed no wood harvest and only limited collection of NWFPs from lands and forests allocated to them through the decentralisation policy. It has been a tough issue for villagers, nature reserve managers and the government. The point is whether policy for decentralisation through privatisation is appropriate.
Abstract
The forest in Korea is around 6.41 million ha (63% of total land area), the national forest being 23%, public forest being 7%, and the other 70% belongs to around 2.32 million private forest owners. Therefore the main forest policy has been focused and developed for the private forest in Korea.

Before decentralisation started in the mid 1990's, the main forest policies in Korea were focused on the rehabilitation of denuded forest, prevention of illegal logging and forest fire control. In the early 1960's, the average stock was 6 m$^3$ per hectare, and the ratio of denuded forest reached 80% of total forest land. However, in the mid 1980's, the forest greening projects were finalized based on a systematic recovery plan and illegal logging was also finished by the massive arrest of illegal loggers and involved government officers. Forest fire management was the top priority task of local government because of the firing of the governor and the related officers in regional government after a forest fire outbreak.

However, decentralisation which began with the direct election of the local government's head, has affected much in forest management. With the completion of the 3rd forest resource plan in 1997, the average stock per hectare reached to 50 m$^3$ and several changes happened to forest resource management and forest land use. Especially, as the majority of replanted forest reached maturity, the possibility of forest fire increased to a larger scale and the low economic power of private forest owners required more efforts and funds from local government, which suffered from low financial status and population. This situation has accelerated the tendency of local government to ask more assistance of central government. Actually, the area and damage of forest fires after the mid 1990's were on a larger scale compared to the past, and effects have been felt in the environment at regional and national levels as well as in social, economic and cultural aspects.

Currently the cooperation system between local and central government in forest fire management is based on the control and monitoring of central government, and conduct by local
government. However, after autonomy, many local governments reduced the size of their organization and the number of staff in the forest division. In addition, the local government diminished the responsibility of regional officers in charge of forest fire. This resulted in insufficient forest fire control equipment due to budget difficulties, shortage of forest fire fighters, radical climate change, single species stands, which affect efficient forest fire control. Even though the local government has the responsibility of forest fire control, they mostly rely on the assistance of air suppression using helicopters and special force teams from the central government.

Therefore, for efficient forest fire management in the face of forest resource increases, local population diminishment, forest fire possibility increase, it is necessary to increase systematic cooperation and to clarify the responsibility and rights between central and local governments, and to change the understanding of private forest owners and local governments under autonomy. Especially, it is recommended for central government to increase fire management leadership by control power and the modernization of equipment, the advertisement and forecasting of forest fire to the public through the media, strengthening training for foresters and forest fire research. For local governments, strengthening the capacity of control and the restructure of fire fighters in the field is essential, in order to efficiently control forest fires under autonomy.

Authors Apsara Chapagain and Ganga Ram Dahal
Title Decentralized forestry in Nepal

Abstract
Nepal has undergone different modes of decentralisation - from delegation to decentralisation to devolution. The Nepalese overall policy framework, especially forestry policies and local governance policy, has recognized decentralisation as the guiding principle. The concept of decentralisation has occupied more space after the enactment of the Decentralisation Act 1982.

The aim of the paper is to provide a conceptual overview of decentralisation and devolution in the Nepalese forestry sector from policy to practice. The paper will discuss the history of
decentralisation and the major focus will be on community forestry practice. After restoration of democracy in 1990, the government focused on strengthening local government bodies (Village Development Committees, Municipalities, District Development Committees) but an interesting fact is that Forest User Groups are the successful bodies (more than local elected bodies) to practice authority/power devolution. Forest user groups have gone deeper into the household level in terms of meaningful participation, decision making and equitable benefit sharing.

Community forestry is one of the successful programs in Nepal and has contributed a lot in exercising democratic practices at village level, local development, resource management, poverty reduction, etc. With an attempt to understand decentralisation in forestry, the paper will discuss the present context, assessment of the country’s efforts and achievement of decentralisation. The role of support groups, Federation of Community Forestry Users, Nepal (FECOFUN), and donor agencies to create a decentralized policy environment will be discussed in detail.

Similarly, detailed analysis (of policy related to decentralisation, how laws were promulgated, how they are implemented and what are the challenges) will be mentioned in the paper.

Critical analysis of the community forestry practices will be presented in the paper. Current issues, success stories and challenges of decentralisation in forestry are another part of the paper. Similarly achievements gained and areas of reform and future strategies are presented in detail. Simplifying the ‘good governance in forest user groups’, the paper will provide practical outreach of community forestry to: democracy in forest user groups, equity concerns, participation, leadership development, community development, resource management, poverty reduction and access of poor/marginalized groups to resources. Field experience and relevant case studies will be supplemented in the paper.
Theme 3: Finance, Investment, and Incentives in Decentralisation

Authors  E.S. Guiang, F. Esguerra, and D. Bacalla
Title  Devolved and decentralized forest management in the Philippines: Triggers and constraints in investments

Abstract
As the new title implies, the paper will discuss how the wave of decentralisation and devolution of forest management in the Philippines over the last 15-20 years is changing the landscape of the tenure system, institutional arrangements, sources of wood for processing to meet domestic demand, functions/structure of DENR/FMB, agenda of the public, media, and civil society, and allocation of resources - people and money. The challenges of decentralized and devolved forest management continue to deal with issues related to centralized systems and policies, the right mix of incentives for various stakeholders, lowering the cost of entry into tree and industrial plantations in public forest lands, financing, and the interplay between public and private interests in forests and forest lands. The paper will extensively refer to experiences from donor-funded projects to highlight lessons learned as jumping points for recommendations that could make decentralisation and devolution of forest management in the Philippines more effective and efficient.

Author  Colin O’Loughlin
Title  Decentralisation within the New Zealand forestry sector: Financial and social implications

Abstract
In the mid 1980s, a newly elected Labour Government set about reforming the New Zealand economy. Many Government departments were restructured and many were disestablished including the New Zealand Forest Service. Government assets were sold off including forestry assets. Price, wage and income controls were removed along with government subsidies which had helped
prop up inefficient industries for decades. In a very short time, New Zealand was transformed from one of the world’s most tightly regulated and controlled economies to one of the most liberal, market-based economies.

The New Zealand forestry sector was heavily affected by the Government reforms. The Government agencies responsible for managing a large part of the forestry sector were reinvented. Established agencies were replaced with new agencies. Government-owned plantations were sold to the private sector, thousands of people working in the forestry sector were affected and the profile of the forestry sector and the way it worked were altered in a major way.

This paper examines the nature of this restructuring within the forestry sector which involved decentralisation and devolution of governance and management responsibilities, and the economic, financial and social impacts that resulted.

The New Zealand Forest Service (NZFS) had dominated the forestry sector for over 6 decades by the time of its disestablishment in 1987. By the 1970s the NZFS had developed into a large complex organisation that had control of 3.5 million ha of forest land including 600,000 ha of fast growing plantation forests, mainly *Pinus radiata*. The department employed over 7000 people and had responsibility for managing all State forest resources, planning and undertaking the development of new state forests, protecting forests from pests, diseases and fire, carrying out research and training to advance the forest industry, carrying out a range of regulatory functions, engaging in sawmilling and fostering the effective utilisation of forest produce.

The decentralisation process, introduced in 1987 after several reviews of the NZFS, was essentially a two phase process. The first phase involved disestablishment of the NZFS and the transfer of its responsibilities to three new entities; the New Zealand Forestry Corporation which inherited the commercial activities of the old NZFS and all the state plantation forests, the Department of Conservation which assumed responsibility for the conservation, protection and management of the State’s indigenous forests and the Ministry of Forestry which inherited the regulatory, policy and other statutory functions and research and training.
The second phase involved the disestablishment of the Forestry Corporation and the selling off of the state plantation forests to the private sector. This phase was not completed until the mid 1990s.

Economic/financial and social consequences of decentralisation. The social and economic/financial consequences of the decentralisation process were marked and many were not predicted before the initiation of the reform process.

The sequence of plantation forest sales to overseas and New Zealand private companies between 1990 and 1996 realised approximately NZ$3.5 billion. This amount together with the capital raised by the sale of other Government entities including the Bank of New Zealand, Petrocorp, New Zealand steel, Development Finance Corporation, Postbank, New Zealand Shipping Corporation, Rural Bank, State Insurance, Government Printing Office, Tourist Hotel Corporation and Telecom, was used to reduce New Zealand’s public debt which had risen to an alarming level by the mid 1980s. The total amount raised by the Labour Government’s privatisation process amounted to approximately NZ$12 billion.

The response of the key economic indicators (economic growth, inflation, public debt, balance of payments and employment), were mainly positive after 1992. For instance, net public debt fell from about 51 percent of GDP in 1992 to about 30 percent of GDP by 1996. However, the economic miracle was short lived. By the end of 1996, falling growth rates, above target inflation, rising overseas debt, excessive real interest rates, an over-valued dollar, a burgeoning external deficit, falling employment growth and a significant movement of jobs offshore, signalled a decline in the economy.

The sale of the plantations to private organisations was followed by a surge of investment, much of it from overseas, in wood processing plants such as particle board plants, sawmills and pulp and paper mills. Through the 1990s more than NZ$800 million was invested by forest companies. This level of investment would probably not have been achieved if the Crown had retained ownership of the plantation forests.

The forest industry continued to remain buoyant through the 1990s and up until the end of 2003 when a major downturn in the industry occurred. Part of this buoyancy was related to the
additional financial, business and marketing skills that the new owners of the plantations brought to the New Zealand forestry sector. Total harvest volumes from plantation forests rose from 15 million cubic metres in 1993 to 22.5 million cubic metres in 2003. Similarly, export revenues from the sale of logs, sawn timber, board products, pulp and paper and other remanufactured wood products continued to rise steadily between 1993 and 2003 reaching NZ$3.488 billion in the year to June 2003.

The social costs of the disestablishment of the New Zealand Forest Service and the privatisation of the plantation forests that followed, were widespread and variable. Forestry towns such as Kaingaroa, Murupara and Tapanui were hard hit by the large reduction in the forestry job market which resulted when the NZFS was disestablished. The social impacts affected not only towns but also whole regions. For instance, the economy of Northland, the most northerly region of New Zealand, depended on the employment offered by Crown-owned plantation forests. A drastic reduction in forestry worker requirements combined with a reduction or withdrawal of many services such as banking, post office and railway services, led to a major deterioration in the region’s economy. The rapid pace of the reforms (disestablishment of NZFS, decentralisation of services and privatisation of Crown forestry plantations) provided little time for planning a soft landing for those affected. Although the social costs across New Zealand were extremely high and probably amounted to tens of millions of dollars, to this author’s knowledge, they have never been quantified.

Author
Nguyen Quang Tan

Title
Decentralisation of forest management in Vietnam: What implications does it have on household economy?

Abstract
Over the last two and a half decades, Vietnam has experienced a radical reform in the forestry sector. The changes in forest management in Vietnam were driven by a quick decline in national forest area a decade after unification, the ineffectiveness of the state
The forest enterprise system, the state’s recognition of the important role of local people in forest management and the success of the reform in the agricultural sector of the late 80s. In recent years, the Government of Vietnam has made a bold step to try out devolving forest management rights from the state to local people. Before the forest devolution policy can be applied to the whole country, it is important to know what implications such a policy has on the economy of the local households.

This paper subjects the question to empirical study in Dak Lak province of Vietnam. Using field data collected in 2002-2003 in 13 villages where forest devolution took place between 1999-2000, the paper shows that forest devolution has important implications for the economy of many local households. Findings from the paper suggest that forest devolution has a potential to contribute to the local economy.

The paper starts with a brief introduction about the study. It then provides an overview of forest decentralisation in Vietnam for the last twenty years and the outcomes as well as challenges to date. After that, it introduces the case of forest devolution in Dak Lak province and goes into detail on the analysis of the economic implications for local households. Finally, the paper concludes with a discussion on policy implications for Vietnam.
Field Trips

Tuesday, 5 September 2006, Time: 08.00 – end

Site - One

<table>
<thead>
<tr>
<th>Theme</th>
<th>Social Forestry Activities (HKm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Tani Manunggal, Menggoran, Playen Sub District in Gunung Kidul</td>
</tr>
</tbody>
</table>

Description of the site:
The HKm activity is a collaborative undertaking between the Indonesian Ministry of Forestry (MOF) and local communities within forestland rehabilitation sites. Under this scheme local communities formed a group cooperative and have been managing around 40 hectares of forestland since 2003. The formation of the cooperative is an obligatory requirement under the HKm scheme as stipulated in SK Men Hut No. 31/2000 [a MoF Decree].

Coordinator : Dwi Sudharto
Interpreter : IFSA/LSM
Rapporteur : I.B. Putera Pratama, Nugroho Adi Utomo

Tentative Programme

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>08.00</td>
<td>Departure by bus from Hyatt Regency Hotel</td>
</tr>
</tbody>
</table>
| 09.00  | • Arrival in Bupati’s Office of Gunung Kidul District  
          • Welcoming address and overview from Bupati  
          • Speech from Representative of Groups |
| 10.15  | • Split groups (Palijan Group continues their trip to the locations)  
          • Presentation from Forestry Service |
| 10.30  | • Presentation from KTH Tani Manunggal: Process and Programme of HKm  
          • Scheme |
| 11.00  | Observe HKm site |
12.00 Discussion
12.30 Lunch
13.30 Departure to Wanagama, UGM Site
14.00 • Presentation from Dean of Faculty of Forestry, University of Gajah Mada
14.30 Visit “Provenance examination plot”
15.30 Departure to Hyatt Regency Hotel, arrive by 17.00

Site – Two

<table>
<thead>
<tr>
<th>Theme</th>
<th>National Movement on Land Rehabilitation (Gerhan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Karang Duwet, Palijan, Gunung Kidul</td>
</tr>
</tbody>
</table>

**Description of the site:**
The Gerhan activity in this village covers 234 hectares of forestland, where the state initiated an intensive plantation programme involving community people in 2003. The inauguration of the plantation programme was done by former President Megawati and witnessed by Former Coordinating Minister of Social welfare, Former Minister of Forestry and the Governor of DIY [Special District of Yogyakarta] in 2003. This area is nationally considered as a pilot site for the National Movement on Land Rehabilitation. The legal basis of this scheme is the National Policy Guidelines for Gerhan-2003, which is basically a project funded by the central government in order to assist provincial governments in Indonesia.

Coordinator : Chaerudin M.
Interpreter : IFSA/LSM
Rapporteur : Thomas Nifinluri, Ram Ganga Dahal

**Tentative Programme**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>08.00</td>
<td>Departure by bus from Hyatt Regency Hotel</td>
</tr>
<tr>
<td>09.00</td>
<td>• Arrive in Bupati’s Office of Gunung Kidul District</td>
</tr>
<tr>
<td></td>
<td>• Welcome Address and Overview from Bupati</td>
</tr>
<tr>
<td></td>
<td>• Speech from Representative of Groups</td>
</tr>
<tr>
<td>10.15</td>
<td>Departure by bus to Palijan</td>
</tr>
</tbody>
</table>
Site - Three

<table>
<thead>
<tr>
<th>Theme</th>
<th>Private Forest Activities (Hutan Rakyat)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Selopuro villages in Wonogiri District</td>
</tr>
</tbody>
</table>

Description of the site:
Private tree plantations in Selopuro villages cover 812.45 hectares (549.68 and 262.77 ha, respectively). This scheme is operating under the technical assistance of the Reforestation and Regreening Programme of 1976, which was regulated by the INPRES, *Reboisisasi dan Penghijauan* [Presidential Instruction on Rehabilitation and Regreening]. In the past, the implementation of the reforestation programme was not very successful, however, there were many trees growing well in this area from which seeds were collected to regenerate new seedlings.

Coordinator : Agus Sulistianto  
Interpreter : IFSA/LSM  
Rapporteur : Gatot Subiantoro/Nandang Prihadi

Tentative Programme

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>08.00</td>
<td>Departure by bus from Hyatt Regency Hotel</td>
</tr>
</tbody>
</table>
| 09.30 | • Arrive in Bupati’s Office  
       | • Welcome address and overview by Bupati                                  |
| 09.45 | Speech from Representative of Group                                      |
| 10.00 | Departure to Selopuro Village                                            |
| 10.30 | Presentation: Process, Programme and Certification of Community Forest Management Product in Wonogiri |
| 11.30 | Discussion with community members                                        |
| 12.30 | Lunch                                                                     |
| 13.30 | Continue the discussion                                                  |
| 14.30 | Closing                                                                   |
| 14.45 | Departure by bus to Hotel, arrival by 17.00                              |
Site - Four

<table>
<thead>
<tr>
<th>Theme</th>
<th>Community Based Forest Management for Enterprises (Perum Perhutani), PHBM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Donorejo village, Kedu Selatan, in Kaligesing Sub-District</td>
</tr>
</tbody>
</table>

**Description of the site:**
Principally, the concept of Perum Perhutani (state forest enterprises) is based on benefit sharing schemes, collaboration, prosperity and transparency. PHBM is a kind of system of forest resources management undertaken together by Perhutani, and forest communities. The legal basis of this scheme is the Decree of Dewan Pengawas Perum Perhutani No. 136/KPTS/DIR/2001 and the Decree of the Governor of Central Java, no. 24/2001 about PHBM, specifically for the island of Java. The site in Donorejo village is one of Perum Perhutani’s model forest areas in Kedu Selatan, in Kaligesing sub-district. Local communities are managing 169.7 ha of forestland under the PHBM scheme with Perum Perhutani. There is a collaborative effort between the state and local communities in the implementation of this scheme.
Coordinator : Ismugiono
Interpreter : IFSA/LSM
Rapporteur : Agus Justianto, Yayan Indriatmoko

**Tentative Programme**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>08.00</td>
<td>Departure by bus from Hyatt Regency Hotel</td>
</tr>
<tr>
<td>09.00</td>
<td>Welcome Address and Overview by Bupati</td>
</tr>
<tr>
<td>09.15</td>
<td>Overview from Kanit I Perhutani concerning PHBM scheme in Central Java and KPH Kedu Selatan</td>
</tr>
<tr>
<td>09.30</td>
<td>Discussion with community members</td>
</tr>
<tr>
<td>12.00</td>
<td>Lunch</td>
</tr>
<tr>
<td>13.00</td>
<td>Continue the discussion</td>
</tr>
<tr>
<td>14.00</td>
<td>Closing</td>
</tr>
<tr>
<td>14.15</td>
<td>Departure to Hotel, arrival by 17.00</td>
</tr>
</tbody>
</table>
The Dynamics of Working Group Session

Wednesday, 6 September 2006

Role, rights and responsibilities

Sub group: 1 (possible regions: Southeast Asia and Mekong Delta)

This group will discuss the involved actors and their roles under the present decentralisation process in their respective countries. This group will also discuss decentralised rights and the problems encountered in the process. The discussion will also address the issue of conflict in terms of performing roles and responsibilities by particular actors involved in the decentralisation process.

Guiding questions for discussion:
• What are the major problems related to roles and responsibilities of involved actors in decentralised forest management in your countries?
• Are there any mechanisms adopted to clarify the roles of actors in the decentralisation process?
• What ways might work to overcome the problems related to roles, responsibilities and rights in the decentralisation process?

Sub group: 2 (possible region: South Asia)

This group will focus on discussing experience with gender and equity issues in decentralised forest management. In particular, the members will share their experience, both in terms of success and failure in this realm. Also they will discuss mechanisms to ensure gender balance and equity in decentralised forest management in terms of clarifying roles, responsibilities and rights of women and disadvantaged groups of people in particular communities.

Guiding questions for discussion:
• To what extent have women and disadvantaged groups been involved in decentralisation in forest management?
• What are the constraints to women’s involvement in your countries?
• How can we overcome these constraints?
• What is the current situation of equity in your country in reference to forestry decentralisation?
• How can we ensure equitable practices in decentralised forest management?

**Institutions, organisations, capacity building, infrastructure and legal aspects:**

**Sub group: 1 (Possible regions: Southeast Asia, East Asia and the Pacific)**
This group will discuss legal aspects of decentralisation with a particular focus on land tenure and land rehabilitation. The problems and prospects will be discussed based on experiences from the country cases. The institutional aspects of decentralisation particularly resources, capacity building, delivery mechanisms, norms and values, networks and coordination will be discussed reflecting both successes and failures from the different countries.

Guiding questions for discussion:
• Is there institutional and legal clarity about land tenure in your countries?
• What strategies might contribute to resolving the problems related to land tenure?
• How is the land rehabilitation process progressing in your countries? Are there any specific institutions involved in this process? What have been the major problems in land rehabilitation and how can we overcome those problems?
• What mechanisms and capacity are required to deal with issues related to land tenure and rehabilitation in the context of decentralised forest management?

**Sub group: 2 (Possible regions: Southeast Asia and East Asia)**
This group will discuss illegality, corruption and problems of law enforcement in decentralised forest management. This group will look at the issue of illegal logging and its links with the
decentralisation process in various countries. They will also discuss any attempts made to combat illegal logging and corruption, looking at what has worked and what has not worked and why. Also the group will come up with a list of suggestions to improve law enforcement and mitigate the illegal activities under decentralised forest governance.

Guiding questions for discussion:
• Are corruption, illegality and law enforcement significant problems in your countries?
• How does corruption interface with illegal logging, land tenure and rehabilitation in decentralisation?
• Are there any mechanisms adopted in your countries that have worked to overcome the problem of corruption in decentralised forest management?
• How could AFP countries work together to overcome these problems?

Financial incentives and investment in forestry decentralization

Sub group: 1 (Possible regions: Southeast Asia, South Asia, Pacific, outside Asia)
This group will discuss the relationship between decentralization and the financial situation, incentives and investment patterns in various countries. This group will look at the implications of decentralization under diversified country contexts in terms of different levels of financial incentives and investment in the forestry sector. Also, the group will come up with some insights, learning and recommendations to achieve better results from forestry decentralization policies.

Guiding questions for discussion:
• To what extent is finance considered a key issue in decentralised forest management?
• What incentives and investment patterns are currently operating in your countries in reference to decentralisation in forestry?
• How we can encourage finance and investment in forestry in decentralisation?

Self-Organizing Papers/Groups

Self Organizing Groups will share their papers and discuss them, based on findings from their papers, linking those findings with Workshop Themes (Roles, Rights and Responsibilities; Institutions/Organisations, Capacity Buildings, Infrastructure and Legal Aspects; and Finance, Incentives and Investments). They should also consider the guiding questions given in the themes and sub-themes above.
<table>
<thead>
<tr>
<th>Name of Author</th>
<th>Title of Poster</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nugroho Adi Utomo</td>
<td>Can decentralization work for forests and the poor?</td>
</tr>
<tr>
<td>(CIFOR)</td>
<td>CIFOR in collaboration with University of Hasanuddin and Australian National University, Study Site: Luwu Utara District, South Sulawesi Province, Indonesia</td>
</tr>
<tr>
<td>Dr Arvind Boaz</td>
<td>Decentralisation in the forestry sector</td>
</tr>
<tr>
<td>(SACEP)</td>
<td></td>
</tr>
<tr>
<td>Fred Stolle (WRI)</td>
<td>Incentives for sustainable forest management and poverty alleviation</td>
</tr>
</tbody>
</table>

**Abstract**

The poster indicates the policy implications and the impact of effective decentralisation strategies in sustainable forest management and also their impact on livelihood approaches for fringe forest area population.

**Abstract**

Income and benefits derived from forest resources can act as a fundamental stepping stone in the economic empowerment of the rural poor. The key challenges lie in the valuation and distribution of benefits from forest resources, and developing appropriate governance mechanisms that increase management authority of the rural poor. A pilot study on forest revenue distribution has been carried out in several districts in East Kalimantan. The results show the relation between forest generated income and poverty and the reliance of districts on funding from the central government, which reduces the accountability of district governments.
Fred Stolle (WRI)  

Promoting forest governance by enabling transparency and accountability in Indonesia’s forest sector

Abstract
Poor forest governance, corruption and weak law enforcement have resulted in over-harvesting, rampant illegal logging, deforestation and extensive forest degradation. A lack of reliable information on forest and timber resources is a major obstacle for sound decision-making and appropriate policies paving the way towards good forest governance. To address these above described issues the Ministry of Forestry in cooperation with World Resources Institute and partners has worked to “making relevant, reliable, accurate and up-to-date forest sector information continuously available to decision makers inside MOF as well as making key information publicly accessible”.
Self Organizing Papers

Wednesday, 6 September 2006

Self Organizing Groups will share their papers and discuss them, based on findings from the papers, linking those findings with the Workshop Themes (Roles, Rights and Responsibilities; Institutions/Organisations, Capacity Buildings, Infrastructure and Legal Aspects; Finance, Incentives and Investments).

**Presenters**

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arvind Boaz and Olga Boaz</td>
<td>Sri Lanka</td>
</tr>
<tr>
<td>Patrick Ranjatson</td>
<td>Madagascar</td>
</tr>
<tr>
<td>K.P. Acharya</td>
<td>Nepal</td>
</tr>
<tr>
<td>Efransjah <em>et al.</em></td>
<td>Malaysia and Indonesia</td>
</tr>
</tbody>
</table>
Side Events

Wednesday, 6 September 2006, Time: 13.30 – 14.00

Book Launching

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christopher Barr et al., (CIFOR)</td>
<td>Decentralization of Forest Administration in Indonesia: Implications for Forest Sustainability, Economic Development and Community Livelihoods</td>
</tr>
<tr>
<td>Takashi Toma et al., (AFFRC)</td>
<td>Review of Forest Rehabilitation - Lessons from the Past</td>
</tr>
</tbody>
</table>

Film Show

1. Film:  *Our Forest: Voices from Malinau about the future of one of Asia’s richest rainforests*
   Produced by Center for International Forestry Research (CIFOR), Duration: 27 minutes

2. Film:  *Danau Sentarum National Park: The Abandoned Paradise*
   Produced by Center for International Forestry Research (CIFOR), Duration: 18 minutes
Book Exhibitions
Monday-Wednesday, 4-6 September 2006

Booth 1
Center for International Forestry Research (CIFOR)

Booth 2
BirdLife Indonesia

Booth 3
Dinas Pariwisata (Government Tourism office), Yogyakarta

Booth 4
The Nature Conservancy (TNC)
Map of the Workshop Venue and Exhibitions

- Ball Room
- Hotel Lobby
- Corridor
- Main Entrance
- Communications Centre meeting Room
- Book display/booth
- Coffee break
- Poster display
Contact Persons

Tonny Soehartono  
Departemen Kehutanan  
Badan Planologi Kehutanan  
Gedung Manggala Wanabakti Blok VII No. 55 Lt. 5  
Jl. Jend. Gatot Subroto, Senayan  
Jakarta 10270  
Indonesia  
Tel: (+62) 21 5733435  
Fax: (+62) 21 5720216  
Email: tsoehartono@cbn.net.id

Carol J. Pierce Colfer  
Scientist  
Center for International Forestry Research  
Jalan CIFOR  
Situ Gede, Sindang Barang  
Bogor Barat 16680  
Indonesia  
Tel: (+62) 251 622622  
Fax: (+62) 251 622100  
Email: c.colfer@cgiar.org