



# Governance Brief

## District Governments and Poverty Alleviation in Forest Areas in Indonesia

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### Summary

District governments in Indonesia are in the early stages of trying to reduce poverty in their areas. We explain the influences on district officials' ability to effectively address poverty in two forest districts based on observations between 2003 and 2005. We found that centrally-imposed programs have created bureaucratic requirements that officials are reluctant to meet or prefer to use to their own benefit. District initiatives for economic development rarely reach the poor and even increase their vulnerability. This poor performance can be explained by weak incentives and institutions, unclear strategies and information and little participation of the poor themselves. District, provincial and central authorities need to ensure benefits for district officials who work to reduce poverty, have coherent, simple strategies, enable poor communities to voice their needs, revitalize coordination with funding and stronger leadership, and enable monitoring by districts and communities of government programs impacts on poverty.

### Introduction

Decentralization reforms and national poverty strategy processes in Indonesia have given district governments the mandate to address poverty. Yet current capacities and incentives to reduce poverty at the district level remain fragmented and insufficient. As districts seek to build their poverty alleviation programs, what factors affect their capability to reduce poverty in their regions?

We report here on research conducted in two forested districts<sup>1</sup> from October to December 2004 using interviews with 76 respondents and secondary data. Sixty of the respondents were district government staff members, and the other 16 were villagers, businessmen, nongovernmental organizations (NGOs) and journalists. District statistics were available through 2003. The districts selected were newly established in 1999 and more than half of the families in each district were poor (BKKBN 2003).

### Why do districts (have to) care about poverty?

Three types of policies presently shape districts' interest in poverty: (1) national law (No. 32 2004) requires districts to assume "obligatory functions," which include to provide basic services for citizens, as regulated also in the constitution, (2) the national drive to develop and implement a Poverty Reduction Strategy (Strategi Penanggulangan Kemiskinan, SPK) requires participation from districts, (3) national assistance programs intended to promote food security and reduce economic vulnerability allocate funds to districts and (4) districts' own interest in creating self-sufficient, prosperous villages to maintain their financial viability.



Photo by Agus Adrianto

All of these create new opportunities and responsibilities. Law 32, article 167 states that “Local government’s expenditures have to be prioritized to protect and to improve the quality of life of the people through the improvement of basic services, education, health facilities, proper public and social facilities and developing the social security system”. The SPK established Poverty Alleviation Committees (Komite Penanggulangan Kemiskinan, KPKs) responsible for coordinating poverty alleviation at the district, provincial and national poverty levels. Based on their poverty level, as measured by the Human Poverty Index and Human Development Index (HDI), districts are eligible for increased general allocation funds from the center. The national assistance programs provide important subsidies, such as below-market price rice and compensation payments for fuel, relying on the district to distribute benefits fairly. In the forestry sector, the Forest and Land Rehabilitation Project funded by National Reforestation Funds subsidizes groups and individuals to plant trees. The districts’ interest in improving village self-sufficiency has caused districts to create prosperity movements and community forestry programs. These, however, are not necessarily targeted at specific groups of the poor; but rather are a drive for general economic development.

In addition, districts with significant numbers of poor people need to be concerned about poverty to maintain a positive image. With decentralization, districts are receiving more funds and so have more resources with which to address poverty, especially in areas rich in natural resources like forests.

## What makes poverty alleviation difficult for local governments?

The districts we examined each administered about twenty projects that aimed to reduce poverty (Table 1). District leaders have been supportive of these efforts and well intentioned, hardworking officials have devoted many hours to them. They are significant endeavors.

Despite these efforts, there are underlying patterns that consistently weakened the districts’ ability to address poverty, especially to develop locally relevant programs and deliver resources efficiently. We summarize here the reasons that officials themselves and other stakeholders reported to us for these shortfalls.

### Weak institutions

The Village Empowerment Service (Dinas Pemberdayaan Masyarakat DPM) is the primary district agency with the mandate to address poverty and lead the Poverty Alleviation Committees (KPKs). KPKs were formed in 2004 in accordance with directives from the central government and given the task of reducing the number of poor people in their districts. They had to produce strategic poverty alleviation plans, hone district government programs, and mainstream funds towards poverty alleviation in their current APBD (Anggaran Pendapatan dan Belanja Daerah) budgets.

The KPKs have not coordinated a coherent or influential poverty program. Coordination across sectors has been problematic as the KPKs are newly established and lack both financial incentives and authority. Their planning and budget recommendations are separate from that of the district and they have no independent funds. Unlike the District Secretary (Sekretaris Daerah, Sekda) or the District Planning and Development Agency (Badan Perencanaan dan Pengembangan Daerah, Bappeda), the Village Empowerment Services do not have coordinating authority in the district. Many officials saw the KPK process as irrelevant and Java-centric as the criteria for poverty were imposed by the central government and developed without consideration of local conditions in these forest districts. Most members of the KPK seem uninterested in carrying out the duties of the committee. The influence and capacities of the Empowerment Service also vary with quality of their leadership.

Aside from the ineffectual roles of KPK’s, the newly formed districts have had difficulty finding skilled personnel and there has been political pressure to fill posts with people with

**Table 1.** Summary of Poverty Alleviation Activities by Government Institutions in Two Districts

Implementing Agency	Activity	Target	Objective
Social-Economics Division	• Provision of subsidized rice	Poor families	Fulfilling food requirements
	• Flight and transportation subsidies	Communities	Regular access at affordable prices
	• Social assistance		
Agriculture Service	• Direct community Assistance	Farmer groups	Increasing farming production
	• Establishing gardens		Providing income security
	• Agribusiness		
Forestry Service	• Community forestry	Farmer groups	Getting earnings from forests Rehabilitation of forest resources
	• Land and forest rehabilitation	Communities/ Contractors	Providing employment
Community Empowerment Service	• Strengthening village institutions	Villages	Increasing capacity building
	• Village Development Funds	Communities	Developing village governments, support for local entrepreneurship
	• Small enterprise (UKM/ KUB) loans		Developing villages
	• Repairs to houses unfit for habitation		
	• Direct community Assistance	Communities	Increasing economic productivity
	• Providing clean water		Improve health
Education Service	• Building schools	Schools	Providing access and means for formal education
	• Scholarships	Pupils and students	Stopping education being a financial burden on families
	• Special assistance for pupils	Pupils	Helping pupils to continue with their education
	• Special assistance for schools	Schools	Improving educational facilities
Health Service	• Medical assistance	The sick	Improve health
	• Improving nutrition	Poor communities	Improve health

Source: CIFOR Governance Study, October-December 2004

close relationships to existing officials. Few staff members have any experience related to poverty alleviation. Many are more interested in developing their own capacities and well-being and have worked to promote general economic development rather than assist specific groups of the poor.

### Poverty is not yet a budget priority

The two district's strategic plans state that their main focus is to develop villages and village communities. Although APBD budgets rose in the districts more than 200% from 2001 to 2003,<sup>2</sup> the majority of the districts' APBD budgets from 2001

to 2003 were used to develop district capitals, mainly for constructing government offices and providing civil servants housing and supporting facilities. In one of the districts the cost of the new administration's office complex almost equaled the district's full annual budget.

In 2004 the KPK chair in one district proposed 28 programs to tackle poverty issues and these were included in the district's strategic plan. However, the programs were not included in the district budget (APBD). The same programs were proposed again for 2005.

## District programs do not reach targets

Districts meanwhile have allocated funds to enhance village self-reliance and self-sufficiency. These government initiated “movements” have been promoted at the highest levels of the district and have developed wide support among district officials for several years.

They have become so popular however, that officials refer to the movements to justify nearly any government action, without regard to the movement’s original strategic objectives. Some refer to the movements as a “one-size-fits-all” policy.

Officials also seem to interpret the district’s self-sufficiency movements according to the letter rather than the spirit of their intent, all too often with their own self-interest in mind so as to make as many projects as possible. As projects are the typical way officials can earn additional money, the projects may be benefiting local officials more than the intended beneficiaries. There is an assumption that skimming a share from any project is acceptable, even if it reduces later benefits to the poor.

Indeed, information from communities suggests that district agencies’ programs have often failed to reach their targets or meet local priorities. The district capital and the home villages of the district leaders receive disproportionately high assistance. In general, the more remote or politically unconnected an area, the lower the quantity and quality of projects. Communities in one district reported little benefit from the district’s assistance program, which in 2002 cost 74.6 billion rupiah to support 96 village development projects. In another district, many communities were unaware that such a program existed and had no knowledge of any projects. The benefits from economic programs that do reach communities, such as scholarships, reforestation projects, fuel compensation payments or free health care, are usually dominated by the village elite. Official monitors look the other way in exchange for a bribe or for fear of their career, since project contractors are often related to high ranking officials or otherwise well-connected. All respondents from communities said they would welcome poverty alleviation programs enthusiastically if it suited their needs.

The general public received little information about district government policies and programs. Minimal awareness building and a lack of transparency have meant there is no ‘front door’ for communities to participate in

these movements. Although villages regularly submitted requests for projects, they rarely heard from district officials about the status of their request. Few requests were met, although some were unreasonable in the amounts of money requested or type of project proposed. Government officials’ behavior has contradicted their visions and left poor communities increasingly powerless to fend for themselves. District heads have never requested accountability reports from KPK members.

## Forest policies do not address poverty

Though forests are essential to livelihoods and food security for the majority of the population, officials still viewed forests primarily as a potential source of cash income. Small-scale timber permits such as IPPK (Ijin Pemungutan dan Pemanfaatan Kayu), HPHH (Hak Pemungutan Hasil Hutan), and IUPHHK (Ijin Usaha Pemanfaatan Hasil Hutan Kayu) enabled some groups to make money in the short-run, but have also increased conflict, including conflicts within villages and families due to uneven distribution of fees and compensation payments, damaged their safety net, increased the gap between the better-off and the poor and reduced the quality of their environment. After several years it is clear these policies have failed to increase the standard of living of poor communities living around the forests. Forest cutting and conversion have continued to be promoted in places where the poorest depend on the forest for food, thereby increasing their vulnerability.

## District government staff perceptions of poverty

District government staffs’ perceptions of poverty and its causes were diverse and partly reflected the scope of their positions (Table 2). Agricultural staff said that poverty occurred where people were unable to fulfill their everyday needs, had to struggle to provide agricultural inputs and could not guarantee a decent yield from their efforts. The Forest Service noted that with declining dependence on forest products and increasing costs of living, families need more money to pay for goods and services. The Village Empowerment Service said poverty is caused by a lack of knowledge, poor health and isolation among other factors. All parties should provide the public with information through formal or non-formal education.

District governments considered poor communities to be homogenous and did not distinguish among target groups with specific characteristics. Poverty was analyzed primarily at



the village level, resulting in field interventions that focused on physical infrastructure in the villages instead of people's livelihoods.

### Persistent attitudes about poverty alleviation: *Bapak* will provide

Attitudes formed during the New Order period continued to inform how people view the government's role in poverty alleviation. Many officials portrayed the government as a father (*bapak*) that cares for his children, the citizenry. People have come to believe that poverty alleviation is mainly the responsibility of the government. Many also viewed poverty alleviation as meeting basic, immediate needs of the poor for housing, food or healthcare or village infrastructure. Few thought of poverty programs as enabling poor households to become empowered and self-reliant through education, information, organization and increased economic opportunities.

### Economic Development for the Elite

Ironically, district officials promoting economic development talked a lot about enabling villages to become empowered and self-reliant, and have made some efforts to improve education, information, organization and local entrepreneurship. The most visible activities though have been to increase large-scale investment and improve district infrastructure. These activities may have created a foundation for expanding economic opportunities for the poor, but to date have mostly benefited a small group of already influential people. Realistically though, the district government needs the support of these influential people and will always seek to meet their interests before it can address the interests of the poor, especially while districts are still new and seeking to consolidate their authority.

### Capacities

Every district official interviewed mentioned the lack of capacity among district government agencies, including the heads of the agencies. Districts have been running capacity building programs for their staff; unfortunately, many of the officials gaining scholarships are interested only in getting titles to secure promotions.

### Confusing data about poverty

How can districts address poverty if they are not sure of who is poor and why? Districts work currently with at least five parallel information systems for determining who is poor:

- National Statistics Agency (BPS), based on regionally determined poverty lines related to household consumption, e.g. the line in one



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district was Rp. 114,841 per capita per month for extreme poverty and Rp. 136,847 per capita per month for poverty; national socio-economic surveys (SUSENAS) are conducted every three years at the provincial level and assess food and non-food consumption which is then converted to a rupiah value using standard prices. Samples are drawn randomly, but rarely cover isolated or distant parts of the district.

- National Statistics Agency (BPS), Program on Compensation for Reduced Petroleum Fuel Subsidies (Program Kompensasi Pengurangan Bahan Bakar Minyak), based on a poverty line of Rp. 150,000 /capita/month and according to centrally determined criteria related to basic needs such as housing, water and food consumption. BPS identified poor households with input from village leaders and other data existing data and then surveyed households. The 2005 program aimed to determine households eligible for direct cash subsidies. This poverty information is based on a one-time incidental survey.
- The former Family Planning Agency (BKKBN), measured in terms of a family's basic needs such as clothing, housing and food consumption and described as levels of prosperity, e.g., pre-prosperity, prosperity I, prosperity II, etc.
- District's own self-sufficiency movements, which define villages as self supporting, self-developing or self-sufficient/reliant, based largely on village heads' reports.
- The Human Development Index (HDI) and Human Poverty Index (used to calculate HDI) developed by the United Nations Development Program (UNDP), which are used, among other factors, to calculate general fund allocations from Jakarta.



Photo by Agus Adianto

Working with this unwieldy mix of units (household, family and village), criteria and agencies makes district's jobs more difficult. For example, according to one agency, the majority of the population in one district is poor, according to another, the majority is not poor. Even the two agencies' lists of the ten poorest villages do not show any overlap. And the data from any one agency is rarely representative of the diverse conditions in the district, especially more distant and isolated villages. How can districts develop good policies where such confusion and lack of information exists?

### Exaggeration of poverty levels

Some districts may be using current policies to perverse ends. Respondents reported that their district manipulated figures to create poverty conditions that would secure additional funds from Jakarta and the provincial capital. Officials in several departmental offices admitted that people did this as a strategy to make the district development program a success. It was not clear whether the additional funds were allocated to programs for the poor as a result.

Communities and individuals also inflated their poverty levels to secure aid or attention from the district government. Legislative Assembly members pointed out increasing demands from community groups asking for facilities and infrastructure to be built for them. However, most proposals did not come from poor people in the village and would not necessarily help in managing poverty in their areas. The inflation of poverty increased with the compensation payments to the "poor" following the sharp increase in fuel price in October 2005. Sadly, some

neighborhood administrators (Ketua RT) in other districts were under so much pressure to inflate the numbers that two tried to kill themselves and one was murdered by local people.

### Monitoring and evaluation of projects poverty programs

In accordance with its function, the Regional Development Supervisory Board (Badan Pengawasan Daerah or Bawasda) carries out internal monitoring to supervise finances, outputs and procedures. The District Development and Planning Board (Badan Perencanaan Pembangunan Daerah or Bappeda) monitors physical development together with the agencies involved and the project leaders. The DPRD should monitor the district government by holding direct inspections and gathering information and complaints from the public. The Meeting for Coordination of Quality Control (Rapat Koordinasi Pengendalian, RAKORDAL) is an annual meeting usually chaired by the head of the district to evaluate the year's projects. Under Law No. 32 2004, the Provincial Governor and Minister of Home Affairs have roles as well in district monitoring, particularly in regulation making and the budget plan.

According to respondents, when monitoring and evaluations take place, the supervisory teams invariably give favorable evaluations even if a project has neither met its targets nor run the way it was intended. This happens because those implementing projects are usually close to the supervisory teams and give bribes. Supervisory teams do make reports of digressions and bring charges in extreme cases such as total failure, fraud or demonstrations from communities.

### Conclusion

In this study we tried to better understand the factors affecting district official's efforts to alleviate poverty. National and district policies indicate that poverty alleviation should be a district priority. In practice, however, we found that centrally imposed poverty programs created bureaucratic requirements that officials were reluctant to meet and preferred to use to their own benefit. District initiatives for economic development were concentrated around district capitals, and rarely reached the poor in remoter regions. While significant efforts are being made to tackle poverty, they are falling far short of their potential. The reasons for this shortfall can be summarized as:

1. **Limited incentives** - Poverty alleviation is a public agenda that requires additional support to make people change what they do. It may be necessary for the central



government to promote public-mindedness by providing the incentives to encourage them to go beyond districts' self-interest. But districts officials' incentive to comply with centrally directed programs is low. The policy is imposed, much of it is locally irrelevant and rank and file officials receive little direct benefit from such policies.

While officials say they are supportive of poverty reduction, and some are truly committed, few work to ensure that full project benefits reach the poor. Benefits from subsidies are siphoned off or shared as favors to political allies and family before they reach the poor, especially those in remote places. District auditors are not fully effective. Perverse effects occur like the manipulation of data to portray higher levels of poverty and receive more project funds in areas that need it least.

2. **Marginal institution** - The lead institution responsible for coordinating poverty alleviation programs lacks authority and funding, capabilities, influence and in some places leadership to promote poverty alleviation programs.
3. **Incoherent strategy and information base** - District officials are faced with a confusing array of classifications of poverty and lack good information to develop their programs. Poverty assessments lead to contradictory results. Programs are built on different sets of assumptions and have no defined clear groups of the poor that they seek to assist. Separate programs address poverty, prosperity, self-sufficiency and economic development, and have no clear relationship to each other. Although officials can easily describe poverty in their districts, different agencies view poverty's causes differently. There is a need for a common understanding of who are the poor, the causes of their poverty and what can be done to tackle it.
4. **Lack of involvement of poor people** - Officials are still learning about how to best communicate with villagers about government programs and to learn about local villagers' perceptions of poverty and priorities. Local people complained about a general lack of transparency, weak professional competence, low responsiveness to local initiatives, a top-down approach, and rent-seeking behavior of project managers in the district government. Most communities did not even know about poverty reduction programs in their area. One difficulty is that many of the poor are insufficiently trained and organized to participate effectively in political processes.



Photo by Agus Adrianto

## What can be done?

Efforts can be made to improve district government's opportunities and interests in poverty alleviation at the national, provincial and district levels. With the current national drive for poverty alleviation and districts' interests in building their capacities, new initiatives would be timely. Starting points for action include:

1. Central and provincial governments allow districts to define poverty locally, identify their own priorities and develop their own approaches to developing more integrated poverty programs across district agencies. While district capacities and incentives are still weak, the center may need to provide the legal mandate, funding, influence and training to make poverty alleviation programs operational.
2. District government makes poverty more of a priority. Coordination of poverty alleviation is placed with an influential government body and with an influential person in charge. Planning, budgets, implementation and evaluation take place through mainstream district mechanisms.

District institutions responsible for poverty programs are well-coordinated through the District Development Planning Agency (Bappeda) and the District Secretary. Budget is allocated from the APBD for intersectoral cooperation. The PRSP is part of district planning tools like the district working unit plan (Rencana Kerja dan Anggaran, Satuan Kerja Perangkat Daerah, RKA-SKPD), annual plan (Rencana Kerja Pemerintah Daerah, RKPD), medium-term plan (Rencana Pembangunan Jangka Menengah, RPJM), long-term plan (Rencana Pembangunan Jangka

Panjang, RPJP), and APBD. There is a legal mandate and set of targets from the district.

District leaders show their commitment through the program and budget decisions they support, the types of villages in which they spend time, and the values they communicate to district offices.

More recognition and incentives are given to officials who effectively promote poverty alleviation.

3. District develops a clear policy. District policy-makers have a clear idea of:

- Who is to be assisted, i.e., who are the different groups of poor, where they are located, how many people need assistance, and which groups receive priority.
- What are the causes of their poverty?
- What are the means for reducing their poverty and what are the center, province, district and community roles in doing so? Are these means for only meeting immediate needs, or for addressing longer-term economic opportunities? What roles exist for other parties?
- Why poverty alleviation is essential to the overall well-being and economic aims of the district.

The framework reflects local conditions in the district and provides locally relevant criteria for assessing poverty. It is created with consultations with different groups of the poor in their villages, as well as with government officials responsible for implementing and assessing projects.

The framework provides focus and direction to policy decisions and enables better coordination. It enables poverty alleviation to happen outside of designated "poverty" programs. It is simple enough that people can remember its main elements.

4. District policy creates an enabling environment for people to work their way out of chronic poverty by supporting more diverse economic opportunities, generating more environmentally and economically sustainable options and reducing vulnerability. It does this through providing more support to strengthen existing local livelihood strategies, helping local people diversify their cash sources of income, providing good quality education and training opportunities, building on existing efforts of community-based resource management and supporting local efforts to

provide social safety nets. It should avoid centrally driven, uniform programs are do not enable people to meet their own interests.

Decision-makers give more consideration to the roles that forests play in poor villagers' livelihoods and the vulnerability they potentially face with forest degradation or deforestation.

Poverty alleviation is linked to economic development, and special efforts are made to ensure positive roles and benefits for the poor.

5. District institutions responsible for poverty programs are well-coordinated. Poverty alleviation committees are reorganized, revitalized and better integrated with existing coordination bodies such as the District Development Planning Agencies (Bappeda). The committees and their programs have a budget allocated from the APBD and, if necessary, a legal district mandate to support them. The committee is able to allocate funds independently of individual agencies to encourage intersectoral cooperation. The committees are open to input from interested community members and organizations.

All parties receive adequate information. Government agencies, technical agencies and offices and district government secretariats continually update information about program proposals, implementation of ongoing programs and their impacts.

6. District decision-makers communicate with the poor and are responsive to their needs and interests.

Officials conduct participatory village and subdistrict planning sessions to facilitate better two-way communication between villages and local officials. Officials assist villages to know what is feasible to request and communities communicate to officials about their needs and report back on the progress of poverty alleviation efforts.

Communities receive information about government programs so they can decide on their involvement, be aware of their roles and responsibilities and understand the benefits they would get from being involved in the program. Increased transparency makes officials more accountable to deliver project benefits.

Planning efforts should be open to input from interested community members and organizations.



**Table 2.** District Government Perceptions of Poverty and Community Evaluations of Government Agencies

Government Office	Perceptions of Poverty			Community Evaluations
	Condition	Causes	Alternative Solutions	
Social-Economics	<ul style="list-style-type: none"> <li>• Poor in terms of facilities and economically</li> </ul>	<ul style="list-style-type: none"> <li>• Centralistic policies</li> <li>• Poor situation</li> <li>• Geographic isolation</li> <li>• Minimal investment</li> </ul>	<ul style="list-style-type: none"> <li>• Subsidies</li> <li>• Help with facilities</li> <li>• Make investment easier</li> </ul>	<ul style="list-style-type: none"> <li>• Mechanisms unclear</li> <li>• No money</li> </ul>
Bappeda	<ul style="list-style-type: none"> <li>• Basic needs and social and spiritual needs</li> </ul>	<ul style="list-style-type: none"> <li>• Centralistic policies</li> <li>• Low human resources capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Optimize KPK</li> <li>• Capacity Building</li> <li>• Making district special plan</li> </ul>	<ul style="list-style-type: none"> <li>• Projects stray from initial objectives</li> </ul>
Community Empowerment	<ul style="list-style-type: none"> <li>• Unable to fulfill basic needs + socio-cultural needs</li> </ul>	<ul style="list-style-type: none"> <li>• Centralistic policies</li> <li>• Geographic isolation</li> </ul>	<ul style="list-style-type: none"> <li>• Aspiratory and participatory programs</li> <li>• Make appropriate K&amp;I</li> </ul>	<ul style="list-style-type: none"> <li>• PMD is not a strong institution</li> </ul>
National Education	<ul style="list-style-type: none"> <li>• Education poorly presented</li> </ul>	<ul style="list-style-type: none"> <li>• Centralistic policies</li> <li>• Lack of education</li> </ul>	<ul style="list-style-type: none"> <li>• Recruit teachers</li> <li>• Procure facilities</li> <li>• Increase competence of teachers</li> <li>• Free up education costs</li> </ul>	<ul style="list-style-type: none"> <li>• System yet to be built</li> <li>• Lack of competence</li> </ul>
Agriculture	<ul style="list-style-type: none"> <li>• Unable to meet a decent standard of living</li> </ul>	<ul style="list-style-type: none"> <li>• Unclear business environment</li> </ul>	<ul style="list-style-type: none"> <li>• Develop agribusiness</li> </ul>	<ul style="list-style-type: none"> <li>• Project approach</li> </ul>
Forestry	<ul style="list-style-type: none"> <li>• Incapable and no capital for managing forest resources</li> </ul>	<ul style="list-style-type: none"> <li>• Centralistic policies</li> <li>• Do not benefit enough financially from forest resources</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate permits for communities</li> <li>• Make vegetable gardens</li> </ul>	<ul style="list-style-type: none"> <li>• All about money</li> </ul>
District Legislative Assembly	<ul style="list-style-type: none"> <li>• No facilities</li> <li>• No economic capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of investment</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion</li> <li>• Create investment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• DPRD members involved in projects</li> <li>• Conflict over natural resources between communities and investors and between communities</li> </ul>

Source: CIFOR Governance Study, October - December 2004

7. Monitoring occurs by government and communities and information about poverty programs is shared widely. District monitors poverty and impacts of government policies at village and household level. Analysis is done at the household or family level, and not just at the village level. Checks are provided to ensure credible data. Data are checked or collected directly by district representatives, and not only reported by the village head. Distribution of benefits per capita from national, provincial and district programs is monitored across subdistricts and villages.

Communities have formal responsibility to monitor government programs independently, and do so with the assistance of nongovernmental organizations and the media.

All parties receive adequate information about poverty programs. Government agencies, technical agencies and offices and district government secretariats continually update information about program proposals, implementation of ongoing programs and their impacts.

8. Local capacities for poverty alleviation are stronger. A critical mass of district officials have experience, training and exposure to understanding different ways of tackling poverty, how to measure and monitor program impacts on the poor and how to involve poor people in decision-making. Building such capacities does not mean providing scholarships for people to pursue higher degrees to add to their own qualifications, but providing substantive training in skills related to poverty-alleviation.

The district governments' roles in poverty alleviation are in transition. While significant efforts are underway, they fall short of their potential to make an impact. Changes in the specific attitudes, behavior and capacities mentioned here would assist district officials to reach the district's full potential. No one is going to eliminate poverty tomorrow. But as poverty alleviation programs continue to grow and consolidate, now is the time to invest in changing the fundamental conditions that could better help them reach their potential.

## Acronyms

<b>APBD</b>	Anggaran Pendapatan dan Belanja Daerah, District Budget
<b>BAWASDA</b>	Badan Pengawasan Daerah, District Auditing Agency
<b>BAPPEDA</b>	Badan Perencanaan dan Pembangunan Daerah, District Planning and Development Agency
<b>BKKBN</b>	Badan Koordinasi Keluarga

	Berencana Nasional, National Family Planning Coordination Agency
<b>BPS</b>	Badan Pusat Statistik, Central Bureau of Statistics
<b>DPM</b>	Dinas Pemberdayaan Masyarakat, Village Empowerment Service
<b>HPHH</b>	Hak Pemungutan Hasil Hutan, Forest Product Concession
<b>HPI</b>	Human Poverty Index
<b>HDI</b>	Human Development Index
<b>IPPK</b>	Ijin Pemungutan dan Pemanfaatan Kayu, Wood Harvesting and Use Permit
<b>IUPHHK</b>	Ijin Usaha Pemanfaatan Hasil Hutan Kayu, Forest Wood Product Use Permit
<b>Keppres</b>	Keputusan Presiden, Presidential Decree
<b>KPK</b>	Komite Penanggulangan Kemiskinan, Poverty Alleviation Committee
<b>KUB</b>	Kelompok Usaha Bersama, Cooperative without legal identity
<b>PKPBBM</b>	Program Kompensasi Pengurangan Bahan Bakar Minyak, Program on Compensation for Reduced Petroleum Fuel Subsidies
<b>RAKORDAL</b>	Rapat Koordinasi Pengendalian, Meeting for Coordination of Quality Control
<b>RKA-SKPD</b>	Rencana Kerja dan Anggaran, Satuan Kerja Perangkat Daerah
<b>RPJM</b>	Rencana Pembangunan Jangka Menengah, medium-term plan
<b>RPJP</b>	Rencana Pembangunan Jangka Panjang, long-term plan
<b>RKPD</b>	Rencana Kerja Pemerintah Daerah, annual work plan
<b>SPK</b>	Strategi Penanggulangan Kemiskinan, Poverty Reduction Strategy
<b>SUSENAS</b>	Survei Sosial Ekonomi Nasional, National Socio-Economic Survey
<b>UKM</b>	Usaha Kecil dan Menengah; Micro and medium enterprise (capital less than 20 million rupiah).

## Endnotes

<sup>1</sup> We have withheld the names of the districts to protect their anonymity.

<sup>2</sup> With funds from the center still contributing 69-70% of district revenues and districts generating 4-6%.

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Other publications from this research may be ordered from CIFOR or found at [http://www.cifor.cgiar.org/docs/\\_ref/research/governance/poverty\\_decentralisation.htm](http://www.cifor.cgiar.org/docs/_ref/research/governance/poverty_decentralisation.htm).



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