

On Shaky Ground: The involvement of civil society in the preparatory stage of the FLEGT support project

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Overview

The EC-Indonesia FLEGT Support Project is a European Community (EC) co-operation project aimed at tackling illegal logging and promoting the role of forests in Indonesia's sustainable development. The project has its roots in the international FLEG (Forest Law Enforcement and Governance) process that began in Asia in September 2001. At the 2001 ministerial conference held in Bali, timber-producing countries in East Asia and consumer countries including Europe pledged to find solutions to illegal logging and its associated trade.

In Europe, as a response to this and other regional initiatives, the EU¹ organized an international workshop in Brussels in April 2002 to discuss how it should tackle illegal logging and the trade in associated wood products. This resulted in a Forest Law Enforcement Governance and Trade (FLEGT) Action Plan that was adopted in May 2003 and aimed to stop illegal timber imports into Europe. The action plan² considers development assistance to be one of the primary means of influencing the trade in illegally sourced timber and wood products.

This has been translated into a EUR 15 million EC-Indonesia FLEGT Support Project.³ The project was initially established

in 2002. Following a number of missions and a series of meetings beginning in mid-2003, the EC-Indonesia FLEGT Support Project was finally agreed on 30 March 2005, with the signing of a Financial Agreement (FA). The project aims to tackle illegal logging and promote the role of forests in the sustainable development of Indonesia. This will involve supporting and encouraging the Indonesian Government, the private sector (the logging industry) and civil society, in order to create the conditions making it possible to curb illegal logging and its associated trade.

The project's specific objectives are as follows:

- to improve forest law enforcement;
- to improve forest sector governance through enhanced accountability and transparency;
- to reduce illegal trade in forest products and to promote legal trade;
- to assess current silvicultural systems and encourage stakeholders to adopt appropriate systems;
- to improve co-ordination of FLEGT activities and liaison among donors, other international organizations (eg. ASEAN – the Association of Southeast Asian Nations) and the Indonesian Government.

The EC Forest Platform is a FERN initiative that aims to ensure that EC aid contributes effectively to the protection and sustainable use of forests and respect for forest peoples' rights. The Platform promotes active information sharing between the EU institutions and NGOs and the full participation of civil society in decision-making.



Box 1. Key Activities of FLEGT Support Project

- to assess and, where necessary, to revise laws relevant to the forestry sector and assist NGOs to investigate, document and publicise illegal logging;
- to identify the processes, roles and responsibilities of relevant institutions concerning court challenges;
- to support ad hoc activities identified by the National and Provincial Steering Committee;
- to improve awareness and understanding of good governance using multi-stakeholder principles at national, provincial and district levels;
- to raise awareness at village level of the principles of good governance;
- to establish information centers at national and (in project areas) at provincial and district levels;
- to support wood industry restructuring at national and provincial levels;
- to establish a provincial wood industry database documenting the locations, numbers and capacities of wood companies;
- to support the Indonesian Ministry of Forestry in establishing a system for monitoring and controlling future supply and demand;
- to support companies engaging in timber certification processes;
- to ensure international co-ordination/support on trade issues with Asian and Pacific countries, the European Union and other importing countries;
- to assess current forestry systems and promote the adoption of more appropriate silvicultural systems within concessions and third-party verification bodies;
- to coordinate with donors on initiatives aimed at addressing forest governance;
- to negotiate the EU-Indonesia Partnership Agreement;
- to maintain dialogue with regional institutions and other relevant bodies;
- to facilitate policy discussions between the Indonesian Government and the EC-Indonesia FLEGT Support Project;
- to provide independent advice and studies on FLEGT and related issues to the Indonesian Ministry of Forestry and the Project Steering Committee.

Based on these objectives, a number of activities have been developed (Box1).

The FLEGT Support project will be conducted over a 5-year period, during which time the FLEGT partnership agreement will be developed. At the national level, the project will be based in Jakarta and will be carried out jointly with the Ministry of Forestry and related departments and agencies dealing with illegal logging issues.

At the regional level, the project will carry out activities in two provinces: Jambi and West Kalimantan. In Jambi, the project will be active in two national parks: Bukit 12 and Berbak; and in five districts: Tanjung Jabung Timur, Muaro Jambi, Batang Hari, Tebo and Sorolangun.

The project sites in West Kalimantan will be Betung Kerihun and Danau Sentarum National Parks, as well as the three districts of Kapuas Hulu, Sintang and Melawi. In addition, the project will develop a strategy for the Government of Indonesia to work on this issue in Papua province.⁴

The FLEGT Support Project will be implemented by several agencies (Box 2) and is designed to be conducted on the basis of cross-departmental, multi-institutional co-operation at both national and provincial levels, particularly among the Ministry of Forestry, the Ministry of Finance, the Ministry of Trade and the Ministry of Internal Affairs. This will require that these implementing agencies demonstrate a strong commitment to ensuring the efficient communications and co-ordination that are crucial for the project.

Inception Phase

The project was officially launched on 30 May 2005, but the launch was followed by a period of inaction. It was not until 1 March 2006 that the project actually began. At that point, an International Technical Assistance Team (ITAT) of Savcor Indufor (Finland), Cowi (Denmark), IHSA (Indonesia) and WWF (Indonesia) started to work together with project implementation units.

The first six months of the project's implementation are an inception phase, during which the project's over-all and specific objectives, financial framework and activities would be reviewed and, where necessary, revised. These activities were to be conducted through extensive consultation with stakeholders at the national, provincial and district levels. The project claims a number of both formal and informal consultations at all levels to solicit input from stakeholders.⁵



In late August 2006, a draft inception report containing the Overall Work Plan (OWP) and first Annual Work Plan (AWP) was produced. That inception report indicates that little has changed with regard to goals, objectives and activities, as these were felt still to be valid. However, the project revised the objectives related to silvicultural systems to focus on developing and introducing a future management system for abandoned logging concessions.

The second draft of the inception report highlights a problem with regard to the project's financing and implementation. Based on Article 5 in the Financing Agreement (FA), contracts implementing this FA must be signed by 16 November 2007 at the latest. Thus, only 2 AWP can be issued under this FA, with the last AWP covering the period from 16 November 2007 to 15 May 2009. It is uncertain in what way the EC will disburse the operational budget for the rest of the project's duration.

The solution to that problem which was adopted by the PIU after consulting with the EC delegation is to condense all the activities originally planned for 5 years into these 2 AWP's and allocate the full available budget funding. This is an overly optimistic approach to solving the problem; it is almost impossible to properly conduct all the planned activities in a 2-3 year period, since they cover a broad range of issues and involve several related agencies, both at the national and provincial levels. The only available budget from 2009-2011 is the 'incidentals' budget for liaison activities and travel for technical assistance. Even more serious is the ITAT has already been contracted until the end of the project (28 February 2011), meaning that they will still be paid even though there will be no activities implemented.

Although both governments promised to take the measures needed to solve this problem, questions have been raised on how such a problem could have arisen in the co-operation project between the EC and the Government of Indonesia. It indicates flaws in the planning process from the very beginning: that is, government communication and co-ordination were flawed during the design phase of the project. It also indicates that the PIU did not study -- or chose to disregard -- the FA before conducting the inception phase of the project; it is in the first draft of the OWP that the activities continue to run until 2011.

Civil Society Response

In general, there are mixed feelings among civil society groups in Indonesia about this project. Some groups are questioning whether the project will be able to achieve its objectives; past experience

Box 2. Agencies managing project activities

- **BAPPENAS** – the executive authority of the project;
- the **Ministry of Forestry** – implementing agency, charged with developing good co-ordination with provincial and district administrations;
- the **National Steering Committee (NSC)** (established by the Ministry of Forestry) and the Project Provincial Steering Committee (PPSC) (established through a special Governor's Decree) have joint responsibility for providing guidance on policy and project direction, and coordinating with related agencies;
- the **Project Task Force (PTF)** – established by the Ministry of Forestry to coordinate the project. At the provincial level the Departments of Forestry will establish Provincial Project Implementation Units (PPIUs);
- the **Project Director (PD)** – appointed by the implementing agency (the Ministry of Forestry) and endorsed by both the executing authority (BAPPENAS) and the European Commission. The PD will chair the Project Task Force and act as Secretary to the National Steering Committee;
- the **Head of Project Provincial Implementation Units (PPIU)** appointed by the respective provincial Departments of Forestry (Jambi and West Kalimantan) and endorsed by the executing authority and the European Commission;
- the **International Technical Assistance Team (ITAT)** – assisting in the implementation of the Project, ITAT will work under the Terms of Reference agreed by the executive authority and the European Commission.

shows that many forest projects involving EC-Indonesia co-operation have failed to reach their goals. An earlier study by Telapak and FERN⁶ on the effectiveness of forestry projects in Indonesia concluded that real solutions will require policy changes which must be supported by intensive co-ordination and communication among the relevant agencies. Telapak and its partners have observed that such co-ordination and communication are still poor within the context of the FLEGT Support Project. To date, the structure of the project is still not complete. Neither the PPSC nor the PTT has yet been established in any of the provinces. Moreover, the Ministry of



Forestry has not yet established the Project Task Force.

In Jambi, civil society groups have been following this project since its early stages in 2004. Several roundtable meetings involving NGOs, local communities, business representatives, and local government representatives (forestry office, military, judicial officers, police) have been held. In addition, an informal caucus committed to monitoring this project has been set up; its focus is on local issues in Jambi that are to be tackled through this project. A coalition of 10 NGOs in Jambi has submitted an open letter to FLEGT-SP, expressing their concerns and also giving suggestions as to which forest issues should become the project's priorities in Jambi.⁷

One of their demands is for the project to have a mechanism to involve civil society in both the planning and evaluation processes. The project responded by having an informal meeting with the groups after the launch of the project in July 2006. At that time, the suggestion was put forward for an MoU (Memorandum of Understanding) between the project and civil society groups in Jambi. However, how this would work in practice remains to be seen.

In Pontianak, NGOs have suggested that the project look at already existing local initiatives for tackling illegal logging and its associated trade. They are also concerned with the inflexibility of the project as regards changes in activities and the centralistic approach taken in implementing the project. An open letter has been sent by local NGOs in Pontianak to the EC delegation and the Ministry of Forestry to voice these concerns; to date, there has been no response from either government.⁸

Civil society in both provinces feels that consultation meetings conducted by the Project are not effective enough; they have served more as social events than as public consultation fora. They point to the fact that during the consultation meeting discussing the OWP and the first AWP, the report was distributed to the participants of the meeting only shortly before the meeting began. Moreover, the report is in English, and therefore the participants have not had a chance to really explore and discuss the activity points of the project.⁹

With regards to the proposed activities in the OWP and the first AWP, civil society groups feel that the work plan is still too general and some activities are not based on the real situation in the project sites. Some of the activities proposed are repetitions of activities conducted by previous projects carried out by other

institutions. Thus, civil society groups and local institutions are doubtful that the project will contribute to improving the forestry sector in Indonesia.¹⁰

The fact that the entrance strategy for FLEGT activities in Papua province will only be developed in 2009 is being queried, as Papua has become one of the hot spots for illegal logging and illegal trade in timber. It will become an important site if Indonesia decides to sign a partnership agreement with the EC, as millions of dollars worth of timber are coming out of Papua, to be put on to the international market illegally. The Government of Indonesia should already have made efforts to carry out assessments and to consult with Papuan civil society and local authorities to prepare the necessary activities to deal with this issue.

Despite all the drawbacks, however, there are some signs of improvement. For the first time, the FLEGT-Support Project is listed in the finance department of the Government of Indonesia, which means that project spending can be monitored. In addition, the national Indonesian Institution for independent external auditing, BPKP (Badan Pemeriksa Keuangan Pemerintah) may audit the project accounts, thus providing a mechanism of accountability.

Secondly, thus far, the project seems willing to carry on a dialogue with civil society regarding project implementation. However, it must ensure close and effective communication and co-ordination among the project implementation unit at national and provincial levels as well as the related agencies involved in this project: this is crucial to successful implementation. The FLEGT Support Project should also have a mechanism set up to ensure effective participation by civil society, particularly local communities living in project sites, so that they can have a role in decision-making concerning the project.



END NOTES

01. The EU is currently composed of 25 Member States and governed by its various institutions, which jointly activities on behalf of these countries. Where matters do not concern foreign and security policy or justice and home affairs – for example as in the case of development co-operation – the institutional structure discussing and implementing activities is called the European Community (EC). Five main institutions deal with EC co-operation, namely: (1) the European Parliament, which evaluates and adopts EC legislation and budgets; (2) the Council, which shares with the European Parliament the role of policy-maker; (3) the European Commission, which is responsible for the EC's day-to-day work; (4) the Court of Justice, which monitors compliance with existing legislation; and (5) the Court of Auditors, which ensures that the management of the EU's budget complies with existing legislation.

02. Some of the measures set out in FLEGT action plan include: 1) support governance reform and capacity building in timber producing countries; 2) development of Voluntary Partnership Agreements (VPAs) with timber producing countries to prevent illegally produced timber (at the moment logs, sawn wood, plywood, and veneer) from entering EU market; 3) efforts to reduce the EU's consumption of illegally harvested timber and discourage investment by EU institutions that may encourage illegal logging.

03. Official title: EC-Indonesia FLEGT Support Project No.AIDCO/2004/1684.

04. The FLEGT support project will also facilitate developing a strategy in Papua through studies, workshops and joint planning activities.

The implementation of this part of the project will be the responsibility of the Indonesian Government (Financing Agreement no. 16830. ASIA/2004/16-774).

05. The Project's launch and planning workshops were held in Pontianak (June 29-30), Jambi (July 4-5) and Jakarta (July 12).

06. Telapak and FERN (2004) Aid Trace in the forest. The report analyses the EU's Development Fund Scheme for the forestry sector in Indonesia, and presents a case study of the EC South Central Kalimantan Production Forest Project.

07. Several key issues that have been identified to become priorities for the FLEGT Support Project in Jambi are: 1) Community empowerment in and around the project related to forest sector; 2) Involvement of communities in decision-making processes, especially on policies related to FLEGT-SP's agenda; 3) Facilitation of industry's restructuring and rationalization in Jambi; 4) Extending the activities of FLEGT-SP so that it is not confined in 2 sites (Berbak and Bukit Dua Belas NP); 5) Law enforcement on illegal logging cases; 6) Research on timber trade from Jambi to other countries in Asia and follow-up plans.

08. Information from KAIL (Konsorsium Anti Illegal Logging) during the 5th FLEGT workshop organized by Telapak and EIA, September 2006.

09. During consultation meeting in Jakarta on 4 October 2006, the PIU finally provided an Indonesian summary of the inception report, but it was still given to the participants shortly before the meeting.

10. Posting by civil society rep from Jambi in FKKM mail list with regard to FLEGT Support Project's Work Plan Consultation.

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